NOTE

This Microfiche meets the quality requirements of the American National Standard for Microfiche of Documents (ANSI PH5.9-1975). However, because of imperfections in the document from which it was made, it contains images that are illegible or difficult to read. The source document for this microfiche is the best copy that could be obtained prior to filming.

CIS

Congressional Information Service, Inc
Washington, D.C.

Union Calendar No. 277

100th Congress, 1st Session

H. Rept. No. 100-433

S. Rept. No. 100-216

Report of the Congressional Committees Investigating the

Iran-Contra Affair

Appendix B: Volume 23
Depositions

Lee H. Hamilton, *Chairman*,
House Select Committee
Daniel K. Inouye, *Chairman*,
Senate Select Committee

U.S. House of Representatives
Select Committee to Investigate
Covert Arms Transactions with Iran

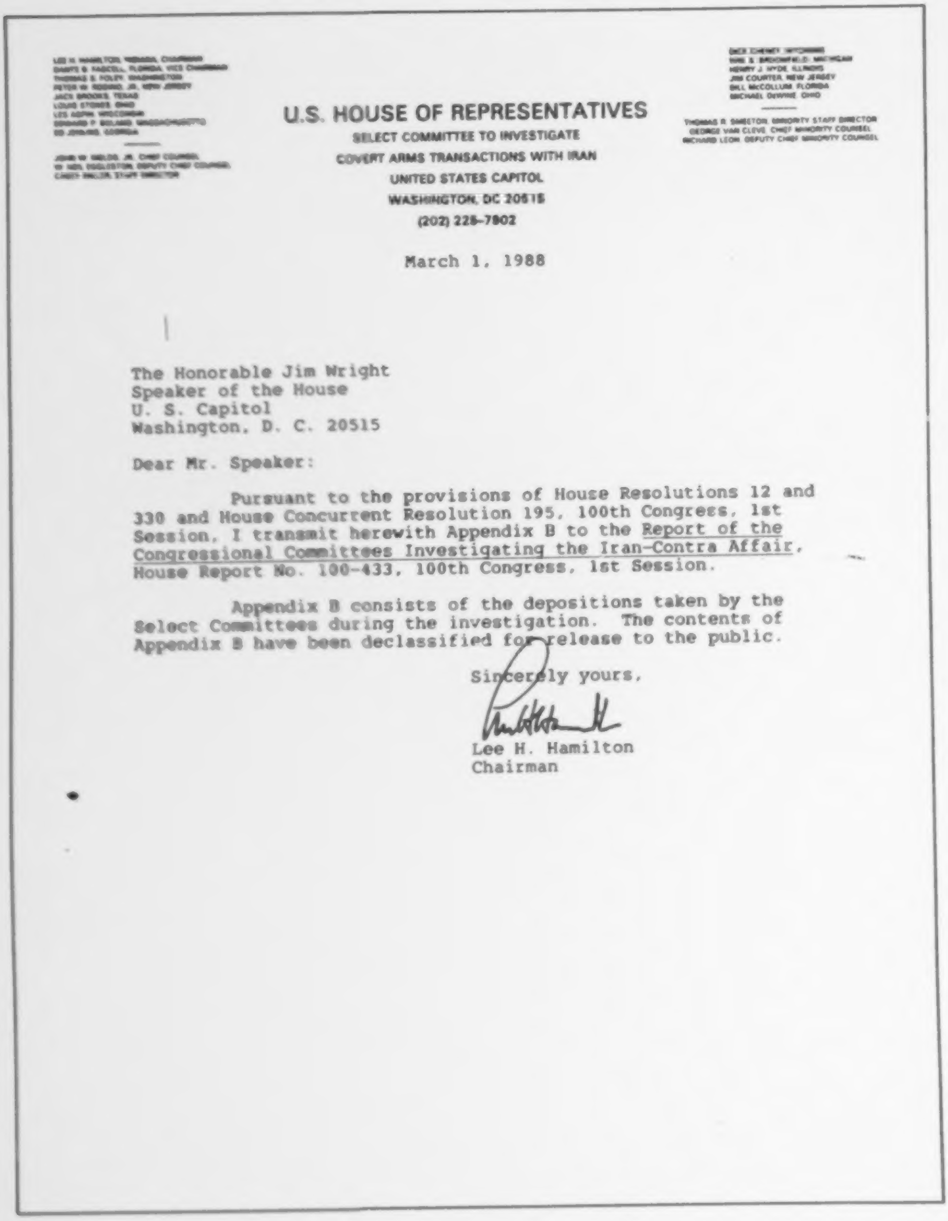
U.S. Senate Select Committee
On Secret Military Assistance to Iran
And the Nicaraguan Opposition

November 13, 1987.—Committed to the Committee of the Whole House
on the State of the Union and ordered to be printed.
November 17, 1987.—Ordered to be printed.

Washington : 1988

For sale by the Superintendent of Documents, Congressional Sales Office
U.S. Government Printing Office, Washington, DC 20402

S963-25
H963-25



LEE H. HAMILTON, INDIANA, CHAIRMAN
DANTE B. FASCELL, FLORIDA, VICE CHAIRMAN
THOMAS S. FOLEY, WASHINGTON
PETER W. RODINO, JR., NEW JERSEY
JACK BROOKS, TEXAS
LOUIS STOKES, OHIO
LES ASPIN, WISCONSIN
EDWARD P. BOLAND, MASSACHUSETTS
ED JENKINS, GEORGIA

JOHN W. NIELDS, JR., CHIEF COUNSEL
W. NEIL EGGLESTON, DEPUTY CHIEF COUNSEL
CASEY MILLER, STAFF DIRECTOR

U.S. HOUSE OF REPRESENTATIVES
SELECT COMMITTEE TO INVESTIGATE
COVERT ARMS TRANSACTIONS WITH IRAN
UNITED STATES CAPITOL
WASHINGTON, DC 20515
(202) 225-7902

DICK CHENEY, WYOMING
WM. S. BROOMFIELD, MICHIGAN
HENRY J. HYDE, ILLINOIS
JIM COURTER, NEW JERSEY
BILL McCOLLUM, FLORIDA
MICHAEL DeWINE, OHIO

THOMAS R. SMEETON, MINORITY STAFF DIRECTOR
GEORGE VAN CLEVE, CHIEF MINORITY COUNSEL
RICHARD LEON, DEPUTY CHIEF MINORITY COUNSEL

March 1, 1988

The Honorable Jim Wright
Speaker of the House
U. S. Capitol
Washington, D. C. 20515

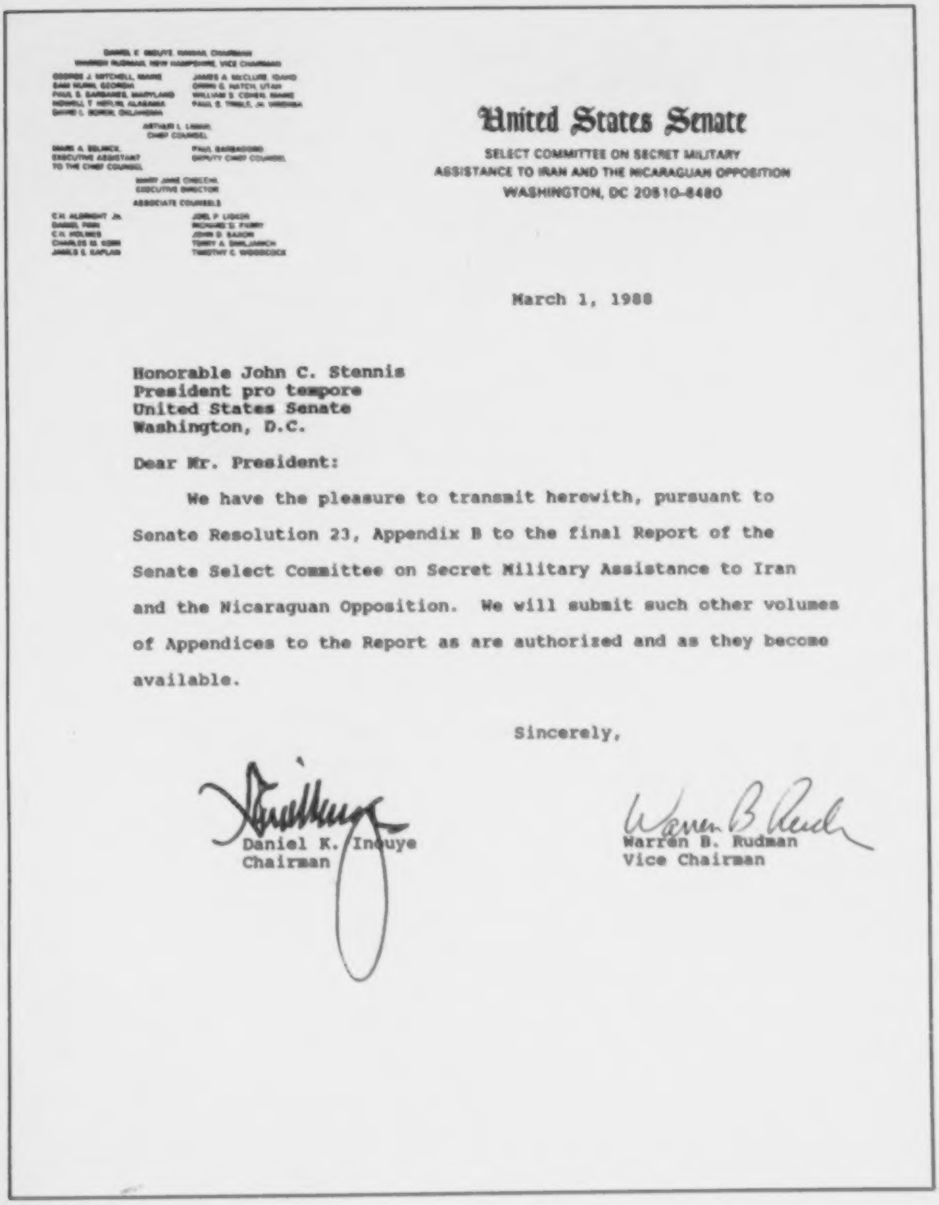
Dear Mr. Speaker:

Pursuant to the provisions of House Resolutions 12 and 330 and House Concurrent Resolution 195, 100th Congress, 1st Session, I transmit herewith Appendix B to the Report of the Congressional Committees Investigating the Iran-Contra Affair, House Report No. 100-433, 100th Congress, 1st Session.

Appendix B consists of the depositions taken by the Select Committees during the investigation. The contents of Appendix B have been declassified for release to the public.

Sincerely yours,

Lee H. Hamilton
Chairman



United States Senate
SELECT COMMITTEE ON SECRET MILITARY
ASSISTANCE TO IRAN AND THE NICARAGUAN OPPOSITION
WASHINGTON, DC 20510-6480

March 1, 1988

Honorable John C. Stennis
President pro tempore
United States Senate
Washington, D.C.

Dear Mr. President:

We have the pleasure to transmit herewith, pursuant to Senate Resolution 23, Appendix B to the final Report of the Senate Select Committee on Secret Military Assistance to Iran and the Nicaraguan Opposition. We will submit such other volumes of Appendices to the Report as are authorized and as they become available.

Sincerely,

Daniel K. Inouye
Chairman

Warren B. Rudman
Vice Chairman

United States House of Representatives

Select Committee to Investigate Covert Arms Transactions with Iran

Lee H. Hamilton, Indiana, *Chairman*
Dante B. Fascell, Florida, *Vice Chairman*

Thomas S. Foley, Washington
Peter W. Rodino, Jr., New Jersey
Jack Brooks, Texas
Louis Stokes, Ohio
Les Aspin, Wisconsin
Edward P. Boland, Massachusetts
Ed Jenkins, Georgia

Dick Cheney, Wyoming, *Ranking Republican*
Wm. S. Broomfield, Michigan
Henry J. Hyde, Illinois
Jim Courter, New Jersey
Bill McCollum, Florida
Michael DeWine, Ohio

John W. Nields, Jr.
Chief Counsel

W. Neil Eggleston
Deputy Chief Counsel

Kevin C. Miller
Staff Director

Thomas R. Smeeton
Minority Staff Director

George W. Van Cleve
Chief Minority Counsel

Richard J. Leon
Deputy Chief Minority Counsel

United States Senate

Select Committee on Secret Military Assistance To Iran and the Nicaraguan Opposition

Daniel K. Inouye, Hawaii, *Chairman*
Warren Rudman, New Hampshire, *Vice Chairman*

George J. Mitchell, Maine
Sam Nunn, Georgia
Paul S. Sarbanes, Maryland
Howell T. Heflin, Alabama
David L. Boren, Oklahoma

James A. McClure, Idaho
Orrin G. Hatch, Utah
William S. Cohen, Maine
Paul S. Trible, Jr., Virginia

Arthur L. Liman
Chief Counsel

Mark A. Belnick
Executive Assistant To the Chief Counsel

Paul Barbadoro
Deputy Chief Counsel

Mary Jane Checchi
Executive Director

Lance I. Morgan
Press Officer

United States House of Representatives

Select Committee to Investigate Covert Arms Transactions with Iran

Majority Staff

John W. Nields, Jr.
Chief Counsel

W. Neil Eggleston
Deputy Chief Counsel

Kevin C. Miller
Staff Director

Special Deputy Chief Counsel	Charles Tiefer
Staff Counsels	Kenneth M. Ballen Patrick J. Carome V. Thomas Fryman, Jr. Pamela J. Naughton Joseph P. Saba
Press Liaison	Robert J. Havel
Chief Clerk	Ellen P. Rayner
Assistant Clerk	Debra M. Cabral
Research Director	Louis Fisher
Research Assistants	Christine C. Birmann Julius M. Genachowski Ruth D. Harvey James E. Rosenthal
Systems Administrator	Catherine L. Zimmer
Systems Programmer/Analysts	Charles G. Ratcliff Stephen M. Rosenthal
Executive Assistant	Elizabeth S. Wright
Staff Assistants	Bonnie J. Brown Christina Kalbouss Sandra L. Koehler Jan L. Suter Katherine E. Urban Kristine Willie Mary K. Yount

Minority Staff

Thomas R. Smeeton
Minority Staff Director

George W. Van Cleve
Chief Minority Counsel

Richard J. Leon
Deputy Chief Minority Counsel

Associate Minority Counsel	Robert W. Genzman
Assistant Minority Counsel	Kenneth R. Buck
Minority Research Director	Bruce E. Fein
Minority Staff Editor/Writer	Michael J. Malbin
Minority Executive Assistant	Molly W. Tully
Minority Staff Assistant	Margaret A. Dillenburg

Committee Staff

Investigators	Robert A. Bermingham James J. Black Thomas N. Ciehanski William A. Davis, III Clark B. Hall Allan E. Hobron Roger L. Kreuzer Donald Remstein Jack W. Taylor Timothy E. Traylor
Director of Security	Bobby E. Pope
Security Officers	Rafael Luna, Jr. Theresa M. Martin Milagros Martinez Clayton C. Miller Angel R. Torres
Editor	Joseph Foote
Deputy Editor	Lisa L. Berger
Associate Editor	Nina Graybill
Production Editor	Mary J. Scroggins
Hearing Editors	David L. White Stephen G. Regan
Printing Clerk	G. R. Beckett

Associate Staff

Representative Hamilton	Michael H. Van Dusen Christopher Kojm
Representative Fascell	R. Spencer Oliver Bert D. Hammond Victor Zangla
Representative Foley	Heather S. Foley Werner W. Brandt
Representative Rodino	M. Elaine Mielke James J. Schweitzer
Representative Brooks	William M. Jones
Representative Stokes	Michael J. O'Neil Richard M. Giza
Representative Aspin	Richard E. Clark Warren L. Nelson
Representative Boland	Michael W. Sheehy
Representative Jenkins	Robert H. Brink
Representative Broomfield	Steven K. Berry David S. Addington
Representative Hyde	Diane S. Dornan
Representative Courter	Dennis E. Teti
Representative McCollum	Tina L. Westby
Representative DeWine	Nicholas P. Wise
General Counsel to the Clerk	Steven R. Ross

United States Senate

Select Committee on Secret Military Assistance to Iran and the Nicaraguan Opposition

Arthur L. Liman
Chief Counsel

Mark A. Belnick
Executive Assistant to the Chief Counsel

Paul Barbadoro
Deputy Chief Counsel

Mary Jane Checchi
Executive Director

Lance I. Morgan
Press Officer

Associate Counsels

C. H. Albright, Jr.
Daniel Finn
C. H. Holmes
James E. Kaplan
Charles M. Kerr
Joel P. Lisker
W. T. McGough, Jr.
Richard D. Parry
John D. Saxon
Terry A. Smiljanich
Timothy C. Woodcock

Committee Staff

Assistant Counsels	Steven D. Arkin* Isabel K. McGinty John R. Monsky Victoria F. Nourse
Legal Counsel	Philip Bobbitt
Intelligence/Foreign Policy Analysts	Rand H. Fishbein Thomas Polgar
Investigators	Lawrence R. Embrey, Sr. David E. Faulkner Henry J. Flynn
Press Assistant	Samuel Hirsch
General Accounting Office Detailees	John J. Cronin Olga E. Johnson John C. Martin Melinda Suddes* Robert Wagner Louis H. Zanardi
Security Officer	Benjamin C. Marshall
Security Assistants	Georgiana Badovinac David Carty Kim Lasater Scott R. Thompson
Chief Clerk	Judith M. Keating*
Deputy Chief Clerk	Scott R. Ferguson
Staff Assistants	John K. Appleby Ruth Balin Robert E. Esler Ken Foster* Martin H. Garvey Rachel D. Kaganoff* Craig L. Keller Hawley K. Manwarring Stephen G. Miller Jennie L. Pickford* Michael A. Raynor Joseph D. Smallwood* Kristin K. Trenholm Thomas E. Tremble Bruce Vaughn
Administrative Staff	Laura J. Ison Hilary Phillips Winifred A. Williams*
Secretaries	Nancy S. Durflinger Shari D. Jenifer Kathryn A. Momot Cindy Pearson Debra S. Sheffield*
Receptionist	Ramona H. Green
Computer Center Detailee	Preston Sweet

Committee Members' Designated Liaison

Senator Inouye	Peter Simons
Senator Rudman	William V. Cowan Thomas C. Polgar
Senator Mitchell	Richard H. Arenberg
Senator Nunn	Eleanore Hill Jeffrey H. Smith
Senator Sarbanes	Frederick Millhiser
Senator Heflin	Thomas J. Young
Senator Boren	Sven Holmes Blythe Thomas
Senator McClure	Jack Gerard
Senator Hatch	Dee V. Benson James G. Phillips
Senator Cohen	James Dykstra L. Britt Snider
Senator Trible	Richard Cullen

Part Time*

Assistant Counsel	Peter V. Letsou
Hearings Coordinator	Joan M. Ansheles
Staff Assistants	Edward P. Flaherty, Jr. Barbara H. Hummell
Interns	David G. Wiencek Nona Balaban Edward E. Eldridge, III Elizabeth J. Glennie Stephen A. Higginson Laura T. Kunian Julia F. Kogan Catherine L. Udell
Document Analyst	Lyndal L. Shaneyfelt
Historian	Edward L. Keenan
Volunteers	Lewis Liman Catherine Roe Susan Walsh

---

*The staff member was not with the Select Committee when the Report was filed but had, during the life of the Committee, provided services.

Contents

Volume 23

Preface XXI
Richard, Mark M 1
Richardson, John, Jr 211
Robelo, Alfonso 461
Robinette, Glenn A 564
Rodriguez, Felix I 755
Roseman, David 811
Rosenblatt, William 883
Royer, Larry 995
Rudd, Glenn A 1183
Rudd, Glenn A. (See Henry Gaffney)

Depositions

Volume 1

Airline Proprietary Project Officer.
Alvarez, Francisco J.
Allen, Charles.
Arcos, Cresencio.

Volume 2

Armitage, Richard.
Artiano, Martin L.
Associate DDO (CIA).
Baker, James A., III.
Barbules, Lt. Gen. Peter.
Barnett, Ana.
Bartlett, Linda June.
Bastian, James H.
Brady, Nicholas F.
Brown, Arthur E., Jr.

Volume 3

Byrne, Phyllis M.
Calero, Adolfo.
Castillo, Tomas ("W").
Cave, George W.
C/CATF.

Volume 4

Channell, Carl R.
Chapman, John R. (With Billy Ray Reyer).
Chatham, Benjamin P.
CIA Air Branch Chief.
CIA Air Branch Deputy Chief.
CIA Air Branch Subordinate.
CIA Chief.
CIA Communicator.
CIA Identity "A".

Volume 5

CIA Officer.
Clagett, C. Thomas, Jr.
Clark, Alfred (With Gregory Zink).
Clarke, George.
Clarridge, Dewey R.
Cline, Ray S.
C/NE.
Cohen, Harold G.

Volume 6

Collier, George E.
Cole, Gary.
Communications Officer Headquarters, CIA.
Conrad, Daniel L.

Volume 7

Cooper, Charles J.
Coors, Joseph.
Corbin, Joan.
Corr, Edwin G.
Coward, John C.
Coy, Craig P.
Crawford, Iain T.R.

Volume 8

Crawford, Susan.
Crowe, Adm. William J.
Currier, Kevin W.
DCM, Country 15.
DEA Agent 1.
DEA Agent 2.
DEA Agent 3.
deGraffenreid, Kenneth.
de la Torre, Hugo.
Deputy Chief "DC".

Volume 9

Deumling, Robert W.
DIA Major.
Dietel, J. Edwin.
Dowling, Father Thomas.
Dutton, Robert C.
Earl, Robert.

Volume 10

Farber, Jacob.
Feldman, Jeffrey.
Fischer, David C.
Floor, Emanuel A.
Former CIA Officer.
Fraser, Donald.
Fraser, Edie.
Fuller, Craig L.

Volume 11

Furmark, Roy.
Gadd, Richard.
Gaffney, Henry.
Gaffney, Henry (With Glenn A. Rudd).
Galvin, Gen. John R.
Gantt, Florence.
Garwood, Ellen Clayton.
Gast, Lt. Gen. Philip C.
Gates, Robert M.
Glanz, Anne.

Volume 12

George, Clair.
Godard, Ronald D.
Godson, Roy S.
Golden, William.
Gomez, Francis D.
Goodman, Adam.
Gorman, Paul F.
Graham, Daniel O.
Gregg, Donald P.
Gregorie, Richard D.
Guillen, Adriana.

Volume 13

Hakim, Albert.

Volume 14

Hall, Wilma.
Hasenfus, Eugene.
Hirtle, Jonathan J.
Hooper, Bruce.

Hunt, Nelson Bunker.
Ikle, Fred C.
Jensen, D. Lowell.
Juchniewicz, Edward S.
Kagan, Robert W.
Keel, Alton G.
Kellner, Leon B.
Kelly, John H.
Kiszynski, George.

Volume 15

Koch, Noel C.
Kuykendall, Dan H.
Langton, William G.
Lawn, John C.
Leachman, Chris J., Jr.
Ledeen, Michael A.

Volume 16

Leiwant, David O.
Lilac, Robert H.
Lincoln, Col. James B.
Littledale, Krishna S.
McDonald, John William.
McFarlane, Robert C.
McKay, Lt. Col. John C.
McLaughlin, Jane E.

Volume 17

McMahon, John N.
McMahon, Stephen.
McNeil, Frank.
Makowka, Bernard.
Marostica, Don.
Marsh, John.
Mason, Robert H.

Volume 18

Meese, Edwin III.
Melton, Richard H.
Merchant, Brian T.
Meo, Philip H.
Miller, Arthur J.
Miller, Henry S.
Miller, Johnathan.

Volume 19

Miller, Richard R.

Volume 20

Motley, Langhorne A.
Mulligan, David P.
Nagy, Alex G.
Napier, Shirley A.
Newington, Barbara.
North, Oliver L.
O'Boyle, William B.
Osborne, Duncan.
Owen, Robert W.
Pena, Richard.
Pickering, Thomas.
Poindexter, John M.

Volume 21

Posey, Thomas V.
Powell, Gen. Colin L.
Price, Charles H., II.
Proprietary Manager.
Proprietary Pilot.
Radzimski, James R.
Ramsey, John W.
Ransom, David M.

Volume 22

Raymond, Walter, Jr.
Regan, Donald T.
Reich, Otto J.
Revell, Oliver B.
Reyer, Billy Ray (See John Chapman).
Reynolds, William B.

Volume 23

Richard, Mark M.
Richardson, John, Jr.
Robelo, Alfonso.
Robinette, Glenn A.
Rodriguez, Felix I.
Roseman, David.

Rosenblatt, William.
Royer, Larry.
Rudd, Glenn A.
Rudd, Glenn A. (See Henry Gaffney).

Volume 24

Rugg, John J.
Russo, Vincent M.
Sanchez, Nestor.
Scharf, Lawrence.
Schweitzer, Robert L.
Sciaroni, Bretton G.
Secord, Richard V.

Volume 25

Shackley, Theodore G.
Sigur, Gaston J.
Simpson, Major C.
Sinclair, Thomas C.
Singlaub, John K.

Volume 26

Slease, Clyde H., III.
Smith, Clifton.
Sofaer, Abraham D.
Steele, Col. James J.
Taft, William H., IV.
Tashiro, Jack T.
Teicher, Howard.
Thompson, Paul.
Tillman, Jacqueline.

Volume 27

Thurman, Gen. Maxwell.
Trott, Stephen S.
Tull, James L.
Vessey, John.
Walker, William G.
Watson, Samuel J., III.
Weinberger, Caspar.
Weld, William.
Wickham, John.
Zink, Gregory (See Alfred Clark).

Preface

The House Select Committee to Investigate Covert Arms Transactions with Iran and the Senate Select Committee on Secret Military Assistance to Iran and the Nicaraguan Opposition, under authority contained in the resolutions establishing them (H. Res. 12 and S. Res. 23, respectively), deposed approximately 290 individuals over the course of their 10-month joint investigation.

The use of depositions enabled the Select Committees to take sworn responses to specific interrogatories, and thereby to obtain information under oath for the written record and develop lines of inquiry for the public hearings.

Select Committees Members and staff counsel, including House minority counsel, determined who would be deposed, then sought subpoenas from the Chairmen of the Select Committees, when appropriate, to compel the individuals to appear in nonpublic sessions for questioning under oath. Many deponents received separate subpoenas ordering them to produce certain written documents.

Members and staff traveled throughout the United States and abroad to meet with deponents. All depositions were stenographically reported or tape-recorded and later transcribed and duly authenticated. Deponents had the right to review their statements after transcription and to suggest factual and technical corrections to the Select Committees.

At the depositions, deponents could assert their fifth amendment privilege to avoid self-incrimination by refusing to answer specific questions. They were also entitled to legal representation. Most Federal Government deponents were represented by lawyers from their agency; the majority of private individuals retained their own counsel.

The Select Committees, after obtaining the requisite court orders, granted limited or "use" immunity to about 20 deponents. Such immunity means that, while a deposed individual could no longer invoke the fifth amendment to avoid answering a question, his or her compelled responses—or leads or collateral evidence based on those responses—could not be used in any subsequent criminal prosecution of that individual, except a prosecution for perjury, giving a false statement, or otherwise failing to comply with the court order.

An executive branch Declassification Committee, located in the White House, assisted the Committee by reviewing each page of deposition transcript and some exhibits and identifying classified matter relating to national security. Some depositions were not reviewed or could not be declassified for security reasons.

In addition, members of the House Select Committee staff corrected obvious typographical errors by hand and deleted personal and proprietary information not considered germane to the investigation.

In these *Depositions* volumes, some of the deposition transcripts are followed by exhibits. The exhibits—documentary evidence—were developed by Select Committees' staff in the course of the Select Committees' investigation or were provided by the deponent in response to a subpoena. In some cases, where the number of exhibits was very large, the House Select Committee staff chose for inclusion in the *Depositions* volumes selected documents. All of the original exhibits are stored with the rest of the Select Committees' documents with the National Archives and Records Administration and are available for public inspection subject to the respective rules of the House and Senate.

The 27 volumes of the *Depositions* appendix, totalling more than 30,000 pages, consist of photocopies of declassified, hand-corrected typewritten transcripts and declassified exhibits. Deponents appear in alphabetical order.

Publications of the House and Senate Select Committees

Report of the Congressional Committees Investigating the Iran-Contra Affair, 1 volume, 1987.

Appendix A: *Source Documents,* 2 volumes, 1988.
Appendix B: *Depositions,* 27 volumes, 1988.
Appendix C: *Chronology of Events,* 1 volume, 1988.

All publications of the Select Committees are available from the U.S. Government Printing Office.

UNCLASSIFIED

SELECT COMMITTEE TO INVESTIGATE COVERT
ARMS TRANSACTIONS WITH IRAN
U.S. HOUSE OF REPRESENTATIVES
AND
SELECT COMMITTEE ON SECRET MILITARY ASSISTANCE
TO IRAN AND THE NICARAGUAN OPPOSITION
UNITED STATES SENATE

- - -

Wednesday, August 19, 1987,
Washington, D.C.

Deposition of MARK M. RICHARD, taken on behalf of the Select Committees above cited, pursuant to notice, commencing at 10:15 a.m. in Room 901 of the Hart Senate Office Building, before William D. McAllister, a notary public in and for the District of Columbia, when were present:

For the Senate Select Committee:

W. THOMAS McGOUGH, JR.
Associate Counsel
DAVE FAULKNER

For the House Select Committee:

PAMELA NAUGHTON
Assistant Counsel
ROBERT W. GENZMAN
Assistant Minority Counsel

4351

Partially Declassified/Released on 1-23-88
under provisions of E.O. 12356
by N. Menan, National Security Council

UNCLASSIFIED

C O N T E N T S

Examination by counsel for — **Page**

House Select Committee (Ms. Naughton) 12, 21, 61, 74, 85, 89, 94, 113, 117, 119, 122, 144, 153, 156, 162, 170, 179, 191

Senate Select Committee (Mr. McGough) 3, 15, 23, 62, 75, 86, 90, 102, 115, 118, 120, 133, 147, 155, 159, 166, 173, 189

EXHIBITS

Richard Exhibits	Marked
1	48
2	53
3	67
4	81
5	102
6	104
7	132
8	140

UNCLASSIFIED

PROCEEDINGS

Whereupon,

MARK M. RICHARD was called as a witness and, after having been first duly sworn, was examined and testified as follows:

MR. McGOUGH: Let's go on the record. Let the reflect that the witness has been sworn.

Mr. Richard, I'm Tom McGough from the Senate Select Committee. Pam Naughton will be here in a moment. Dave Faulkner is an investigator with the Senate Select Committee. If there are any questions that I ask you that you don't understand or would like me to clarity, please just stop me and I'll be glad to do that.

EXAMINATION BY COUNSEL FOR THE SENATE SELECT COMMITTEE

BY MR. McGOUGH:

Q I'd like to start, if I could, by getting a little bit of background. But first let me ask you if you'd state your full name and current title.

A Mark M. Richard. I am deputy assistant attorney general in the Criminal Division, Department of Justice.

Q What is your business address and business telephone number?

A Department of Justice, 10th and Constitution Avenues, N.W., Washington, [illegible] 20530. Telephone number, 633-2333

UNCLASSIFIED

Q In your current position, what are your responsibilities?

A I oversee three components within the Criminal Division. Those three are the Internal Security Section, the Office of International Affairs, and the Office of Special Investigations, which is a component which focuses on identifying and initiating legal action against ~~the~~ Nazis living in the United States.

Q Against--

A Nazis.

Q Are you the only deputy, or are there other deputies, Mr. Richard?

A There are a total of four deputies to the assistant attorney general. Two of the deputies are career deputies, and two are non-career deputies.

Q Who are the deputies at the present time?

A John C. Keeney is the senior deputy--he is a career deputy; myself; Victoria Toensing--T-O-E-N-S-I-N-G; and Joe Whitley. The latter two are non-career deputies.

Q When did you graduate from law school?

A In 1967.

Q And from what law school?

A Brooklyn Law School in Brooklyn, New York.

Q I understand that you had joined the Department of Justice in 1967.

UNCLASSIFIED

A That's correct--under the honor graduate program. I have been with the department ever since.

Q In what position did you join the department?

A As a trial attorney.

Q In the Criminal Division?

A That's correct. I was assigned to the Fraud Section as a trial attorney and essentially remained with the section until 1976, when I was appointed chief of the Fraud Section. And then in 1979 I assumed my current position.

Q Could you describe generally the duties of a trial attorney in the Criminal Fraud Division?

A Well, at the time I had specific cases assigned to me in various locations around the country, working alone or with assistant U.S. attorneys out of particular U.S. Attorneys Offices to develop investigations and prosecutions of various white collar offenses falling within the jurisdiction of the Fraud Section and to take these cases to completion through grand jury and trial.

Q And then you became chief of that section in 1976, is that correct?

A That's correct. In approximately 1972, following several details of varying duration to U.S. Attorneys Offices in Washington and in Louisiana, I was made chief of a newly created major violators unit within the Fraud Section which focused on international white collar offenders.

UNCLASSIFIED

In 1975 I was detailed to the then-deputy attorney general~~'s office~~ mk --deputy attorney general, excuse me--Harold Tyler, where I served for approximately six months as ~~his~~ the mk staff ~~directer~~ for ~~to~~ a newly created white collar crime committee headed by Judge Tyler. mk

And then in 1976 I was appointed to the position of chief of the Fraud Section.

Q What was the next professional step?

A In 1979, the then-assistant attorney general in charge of the Criminal Division, Phil Hyman, elevated me to my current position, although I did not at that time necessarily have the same components under my supervision.

Q How long have your components remained as they are now? How long have they been like that?

A Assigned to me or as--

Q No. How long have you been handling those three components?

A I've handled our Office of Special Investigations since its creation in 1979. With respect to the Internal Security Section, I believe I assumed responsibility for its oversight following the departure of Robert Keek, who I believe left in 1980 [sic]. I have had oversight responsibilities since that time. mk

UNCLASSIFIED

As for the Office of International Affairs, I think if my memory serves me correct, in 1979 when it was created by

Mr. Hyman, I assumed responsibility for its oversight and remained responsible for their operations until, I believe, approximately 1982 when Mr. Jensen, who was then the assistant attorney general, assigned responsibility for that office to then-Deputy Assistant Attorney General Roger Olsen.

At that period, I also was responsible for the oversight of our General Litigation Section, primarily because at that time we were functioning only, I think, with three deputies rather than the current four. During this same period I had additional oversight responsibilities for our Narcotics Section, our Office of Administration, and I think that's about it.

Q Let's take the three over which--were just discussed--Special Investigations, Internal Security, and International Affairs. Could you tell me what the jurisdiction of each of those was? Start with Special Investigations.

A As I said, they are responsible for identifying and initiating legal action against former Nazis who are residing in this country illegally.

Q Is that their only responsibility?

A Essentially, although they have from time to time been tasked by the attorney general or the deputy attorney general with related activities, such as focusing on the question of U.S. government involvement in hiding Nazis after World War II, such as the Klaus Barbie matter. We've also

UNCLASSIFIED

been tasked to try to locate and establish whether Joseph Mengele is alive. And those types of assignments have come from time to time to the OSI operation.

Q Let's turn to Internal Security. What's its area?

A Internal Security is responsible for overseeing the administration of various internal security statutes, including those relating to espionage, export control laws, unauthorized disclosures of classified information, and the operation of the Classified Information Procedures Act--the so-called CIPA. Those are the primary responsibilities of our Internal Security Section.

Q And in International Affairs?

A International Affairs is a support organization that is primarily responsible for securing evidence abroad for use by both federal and state prosecutors, arranging for the extradition of fugitives to this country and handling the extradition requests of treaty partners around the world, negotiating treaties for extradition, mutual legal assistance as well as prisoner transfers. Essentially, those are the primary responsibilities of our Office of International Affairs.

Q As a general matter, [illegible] over Neutrality Act matters fall?

UNCLASSIFIED

A Well, specifically the Internal Security Section.

Q And how about Antideficiency Act matters? And the subset of that may be Boland Amendment sorts of pronunciations.

A I'm not sure those particular statutes have been assigned, if you will. Certainly the Boland Act would not be nominally assigned because of the lack of criminal penalties. The Antideficiency Act, if I'm not mistaken, has some regulatory penalties, but to my understanding its administration has largely involved, if you will, questions about its import--largely involved only the Civil Division to deal with. But there is a chart, if you will, of specific assignments. I would refer you to that chart.

Q That would be the U.S. Attorneys manual?

What I'd like to do is run down some names and ask you about your first contact with some of these people and also the scope of your contact, if any. Some of the people you may not have any contact with. The first would be Oliver North. In your service with the federal had--what, if any, contact, did you have with him?

A I recall two occasions where I've had contact with him directly. One related to an effort to clear some proposed anti-terrorist legislation that we at the department had been very interested in. And a lot of this was post-Ed Wilson inquiry. We had, as a result of our experiences in the Wilson matter, come up with a variety of legislative proposals which we were interested in seeing adopted by the

UNCLASSIFIED

administration and submitted to Congress for action.

I would place that contact in early '84, and it involved an attempt to resolve a dispute which had emerged between us and the CIA with respect to one particular proposal. I think it was four or five specific legislative proposals that we had prepared, and one of them was causing particular concern to the CIA.

MS. NAUGHTON: Can we get more specific on that? Was that the provision to make it a crime to plot to kill someone outside the United States?

MR. RICHARD: That's correct. This arose from our experience, like I said, in the Wilson case. We had a series of individuals in the United States who were planning to assassinate--in that case I think it was Libyan dissidents who were located in Europe or other places outside the United States.

And we had particular difficulty asserting jurisdiction under existing statutes for such activities. In that particular case, we arguably had some jurisdiction only because gratuitously some of the overt acts took place in the District of Columbia, and we were able to use D.C. provisions for dealing with solicitation to commit murder. But I assume we regarded that as merely gratuitous that it occurred there, and but for that fact we would not have had federal jurisdiction over the transaction.

UNCLASSIFIED

BY MR. McGOUGH:

Q What was Colonel North's role in the process?

A Well, as I recall, a meeting was called. Stanley Sporkin was there and others, but I cannot identify them. It's hazy. We were at the Old Executive Office Building. I was seated in a fairly small office, and all I recall of this was that there was something else going on because people were constantly running in and out of the room. And there was very little substantive resolution. After about a half hour, the meeting seemed to terminate with, "Well, can't you try to work it out with the CIA?"

There was major pressure, if you will, to have some resolution because it appeared that there was--I don't know whether it was a leak or an authorized statement that came out of, I think, the White House announcing the fact that there was this, I think, five or six chapter title proposed anti-terrorism bill that was about to go up to the Hill.

Maybe I'm speculating somewhat. Maybe it was in connection with the state of the union addresses. I don't recall. But it was in the January context.

Q Do you recall any specific input that Colonel might have had?

A No, other than "Can't you work it out?" He really seemed to be involved in something else at the moment.

I cannot, in terms of timing, tell you whether the proposed resolution that we had agreed on was accomplished before the meeting or after the meeting. But we had--I thought--worked out an arrangement whereby we provided the CIA with a letter regarding the scope and applicability of this proposed statute. And the thrust of our letter was that we had envisioned that this particular proposal ~~that~~ would be placed in Title XVIII in that portion.,.

MR. McGOUGH: Let the record reflect that Robert Genzman, assistant minority of the House Committee, is in the room.

MR. RICHARD: If I may continue.

MR. McGOUGH: Sure.

MR. RICHARD: We had indicated that we intended this particular portion to go in the foreign relations chapter of Title XVIII, which we at Justice had interpreted as not applying to authorized government conduct. The CIA was concerned that, as written, the statute would arguably apply to authorized CIA activities.

MR. McGOUGH: You said there was a second meeting with--

MS. NAUGHTON: Can I?

MR. McGOUGH: Sure.

EXAMINATION BY COUNSEL FOR THE HOUSE SELECT COMMITTEE

BY MS. NAUGHTON:

UNCLASSIFIED

Q You said before that Casey had insisted on some sort of express--

A That's correct.

Q --disclaimer on this. Was Casey personally, do you recall?

A I certainly didn't deal with him personally on this issue. My recollection is that Casey wanted assurances that this proposal would not reach authorized conduct of the agency. My information would have come from Stan Sporkin.

After we had devised this letter--and I think even sent it over Lowell Jensen's signature--and had occasion to discuss it with Mr. Sporkin and received clear indication from him that this was acceptable, I subsequently learned that DOD had gone to Mr. Casey and had voiced serious concerns whether the letter was adequate to protect duly authorized government conduct.

The agency had then taken the position that the letter was not acceptable and that they would only go along with an express provision in the statute exempting authorized intelligence activities. The resolution, as I recall, was that Lowell Jensen, who at this time was the associate attorney general, felt that that was not acceptable. And ultimately that particular provision was dropped from the package.

UNCLASSIFIED

That's my recollection of the whole transaction.

Q You mean the whole provision which would have made it illegal to conspire to kill someone--to conspire in the United States to kill someone was dropped from the anti-terrorist--

A That particular proposed legislation, yes. It was excluded from the package transmitted to Congress. That's my recollection.

Q When Sporkin or anyone from the CIA or DOD, for that matter, voiced their opposition to those provisions, did they give any specific examples?

A No. Their concern was that it wouldn't provide sufficient assurances to protect their personnel and that citing the letter would not provide the comprehensive assurances that they were seeking that personnel--duly authorized personnel--engaging in activities otherwise covered by the statute would not fall within the statute.

The statute, as I recall, reached not only assassinations ~~and~~ but assaults and other types of physical violence directed against individuals abroad. So it wasn't just a question of prohibition on murder. It was a prohibition on any assault, if I recall correctly.

Q And was the section concerned just solely with CIA personnel and DOD personnel or their assets as well?

A I don't recall it coming down to that kind of specificity in the discussion. It was just more generalized--

UNCLASSIFIED

him concerned about the personnel.

Q Did your letter, do you recall, refer just to personnel--in other words, U.S. government employees--or did it cover assets as well?

A I think it talked about duly authorized conduct. I'm not sure that it focused on any particular classes of individuals.

This letter is available--I mean, the materials are available. I'm not sure if they were included, but if you need it, I'd be glad to send it over to you.

MS. NAUGHTON: Okay. Thank you.

BY MR. McGOUGH:

Q You mentioned in your answer that there was a second conversation with Colonel North.

A Yes. That's correct.

This related to what I referred to as the [redacted] [redacted] matter.

Q Let's set that aside for a moment, because I'm going to come that. We'll talk about that in a little more detail. And I'll just a note to ask you about Colonel North's involvement with that.

Was that a single meeting that you were in?

A That's correct.

UNCLASSIFIED

Q Any other contact with Colonel North that you--

A I [illegible] ~~don't~~ recall [illegible] those two contacts. I must confess--

UNCLASSIFIED

I mean, I have attended so many meetings. I don't recall him being in any other meeting, but it is possible.

Q Let me ask you about John Poindexter. When do you first recall meeting Admiral Poindexter?

A Well, the first meeting--it's hard to date other than saying some time in '81.

And the context is a group that was established by the White House to meet weekly to review outstanding information that had been received by various agencies relating to ~~potential~~ possible threats against the security of the president. It started apparently in response to information indicating that Colonel Khadaffi had sent in or was attempting to send in hit squads to assassinate the president.

MK

And the White House, under Ed Hickey, who was--I understood to be some special assistant to the president, began to chair weekly meetings attended by a variety of agency personnel. Justice had been asked to participate, and my understanding was the Director Webster had asked that in addition to the FBI sending a representative that the Department of Justice also send a representative. In that fashion, I was tasked by--I think it was Lowell Jensen, who was then the assistant attorney general, to represent the department.

UNCLASSIFIED

At these meetings, more often than not I went with Jeff Harris, who was then a deputy associate attorney general reporting to the associate attorney general, Rudy Giuliani.

I apologize for being so long-winded, but it was in the context of those meetings that I first met Admiral Poindexter. He attended a good number of the meetings. If not personally, a representative of the NSC was always present at the meetings.

So I met him in that context.

Q We're going to bring up in a few minutes a little bit about the Wilson matter and whether that was discussed in the context of those meetings.

Outside the context of those meetings did you have any contact with Admiral Poindexter?

A I had, I recall, one meeting with him relating to one aspect of the Wilson matter.

Q This was a one-on-one meeting?

A No, the senior assistant U.S. attorney responsible for this particular aspect, Larry Barcella, was with me.

Q Can you put any kind of time frame on that?

A ~~Yeah~~ Yes. Could we stop the record and discuss?

MR. McGOUGH: Sure.

[Recess]

UNCLASSIFIED

MR. McGOUGH: While we were off the record we were discussing the contours of the questions and answers that are going to follow in order to avoid any disclosure of classified information, and with the witness' permission I will try just

UNCLASSIFIED

to lead him through a short number of questions.

BY MR. McGOUGH:

Q We were referring, when we broke, to a meeting with Admiral Poindexter at which Mr. Barcella also attended. Would it be fair to say that you were at that meeting to request Admiral Poindexter's assistance in an aspect of the Wilson investigation that involved the State Department?

A That's correct.

Q I think at that point that's all we really needed for the record at this point.

All right, then. Outside the Hickey subgroup and the meeting with Admiral Poindexter that we just discussed, did you have any other contact with Admiral Poindexter?

A I don't recall any other meetings with him.

Q Any phone calls or correspondence with him?

A I don't recall, except that--I don't recall any, except that after Wilson was apprehended there was concern because the individual who had used Wilson to--had apparently on his own and without authorization from the Department of Justice composed a letter purporting to be from the NSC to Wilson. And I had been contacted by a representative of the NSC making inquiry with respect to this alleged letter. I don't recall who initially attempted to reach me, but I think I ultimately discussed the issue with an individual by the name of Tanter--Ray Tanter.

UNCLASSIFIED

Q Phonetic--T-A-N-T-E-R?

A Yes. Something like that. But conceivably--and for that matter, either Colonel North or Admiral Poindexter may have been trying to initially reach me.

Q Did you ever discuss--to your recollection--or communicate with Admiral Poindexter on any Justice Department investigation other than the Wilson matter?

A No, not that I recall.

Q Now, I'm going to also go down a number of names which will be familiar to you, I'm sure. But my question is really whether you had had any personal contact with them, whether it be meetings, telephone calls, correspondence of any kind, or anyone who represented--strike that--I was going to say anyone who represented they spoke on their behalf--some of these people who were represented by attorneys--someone other than an attorney who was appearing who came to you on their behalf or as an agent for them.

Richard Secord--have you ever had any personal contact with him?

A I have never personally met the man. He obviously was a target of what I call the Wilson investigation.

Q But you never had any personal contact with him?

Albert Hakim.

A The same category as General Secord.

Q Thomas ~~K~~Clines.

UNCLASSIFIED

A Same.

Q Rafael Quintero.

A I've never met the man. He of course figured in the Wilson inquiry.

Q Erich Von Marbad.

A He was a target of the Wilson inquiry.

Q Again, have you ever met him personally?

A No. No, I haven't met him.

Q Michael Ledeen.

A I have never met Michael Ledeen.

Q Have you ever communicatad with him or exchanged correspondence with him, spoken to him on the phone--to the best of your recollection?

A I don't believe so. I forget your admonition with respect to his attorney.

Q Well, maybe--what I wanted to do was--I know you've met--you've spoken probably to attorneys who represented some of these people.

A Yes.

Q Have you spoken to an attorney who represented Mr. Ledeen?

A I don't recall. Let me, if I may, just explain why I'm hesitant.

UNCLASSIFIED

I had occasion within the last 18 months to address a congressional inquiry regarding Mr. Ledeen which, if I

UNCLASSIFIED

recall correctly, was prompted by articles which appeared in Italian newspapers concerning his involvement with some--what was then viewed as scandals in Italy.

And some questions were raised in the article regarding Mr. Ledeen which prompted ~~the~~ congressional inquiries of the department concerning his security clearance. It was something along those lines. I don't recall with great precision, but I think I had occasion to prepare a proposed response to that congressional inquiry based on some FBI reports that were made available to me.

During the course of that, I have no recollection of talking to an attorney, but on the other hand, if you tell me who the attorney is that represented Mr. Ledeen, that may be helpful.

Q I don't know the answer.

A That's okay. I have no specific recollection of talking to the attorney, but I did handle an aspect of the congressional inquiry at that time.

Q How about Theodore Shakley?

MS. NAUGHTON: Excuse me. Could I ask a question?

MR. McGOUGH: Of course.

BY MS. NAUGHTON:

UNCLASSIFIED

Q I've seen that correspondence, and what I wanted to know was did the attorney general actually participate in any of that? Did you discuss this issue with him?

UNCLASSIFIED

A I don't recall discussing it directly with the attorney general. I recall the matter being at Ken Cribbs' level. He was then, I think, counsel to the attorney general.

And it was--I was asked to attend a meeting in his office, and I believe present in addition to myself ~~was~~ were Ken Cribbs and Judy Hammerschmidt, who was part of the attorney general's staff. I just don't recall her specific title.

They had apparently--this congressional inquiry--and didn't know how to respond to it. And they showed it to me, and I ~~had~~ suggested that it be sent to the Criminal Division for normal processing, which is what I think ultimately happened.

But I don't recall ever having occasion to discuss it directly with the attorney general or anyone else, for that matter.

Q Was Ellen Gersen present for that meeting?

A It's possible.

Q Did anyone at that meeting ever refer to any meetings they had had with Michael Ledeen on any subject?

A I don't recall. It was more of a how-do-we-handle meeting--how do we respond to the congressional inquiry? It was from one of the intelligence committees.

UNCLASSIFIED

Q What I'm curious about is in the normal course how this is handled. The Office of Legislative Affairs would

UNCLASSIFIED

normally, I imagine, route that to you as a matter of course.

A That's correct.

Q How is it that it got to Cribbs' attention?

A I have no idea.

MS. NAUGHTON: Thank you.

BY MR. McGOUGH:

Q I believe you were talking about whether you had every-day contact with Theodore Shakley.

A Again, the answer would be no, although he was part of the Wilson inquiry.

Q How about the Max Gomez or Felix Rodriguez names? The same person, two possible names.

A I've heard the name. If I'm not mistaken, I first heard it in the context of the Wilson inquiry, but maybe I'm wrong.

Q But you've never had any contact with him?

A No.

Q Donald Gregg--have you ever worked with Mr. Gregg or had any contact with him?

A I have no recollection. My only hesitancy is it is not unusual to attend meetings, especially at the State Department-~~-~~involving a cast of thousands, where you at times send around a sign-in sheet. But whether he is at a meeting that I'm at--it's conceivable

UNCLASSIFIED

Q Let me turn--let's turn, if we could, in a little more detail to the Wilson matter. And let's start, although I don't think we'll tarry long at it, at the beginning and when you first became aware that the investigation--that there was an investigation being conducted and Mr. Wilson was involved.

A Well, I would place it probably in '81, when the papers were carrying daily revelations of massive CIA-related illegalities, all revolving around Wilson and his associates. And it was a tremendous media blitz on ~~the~~ Wilson-alleged illegal activities ~~they~~ that were engaged in by the intelligence community.

At that time, as I recall, different aspects seemingly were of interest to probably six to ten different U.S. Attorneys Offices around the country. And we were terribly disjointed, no one knowing what was going on.

And it was apparent to me that the matter was being poorly handled, in my judgment. I expressed that observation to both Lowell Jensen and Rudy Giuliani, who ~~were~~ was then the Associate~~s~~--someone's got to ride herd on this because the allegations were--if they were true--obviously very serious but also suggesting that there was tremendous overlap in investigations, one district targeting the other one's witnesses, and the other one targeting the other's subject. It was something that cried out for some coordination. There were--in addition to the U.S. Attorney problems, you had a whole panoply of different investigative agencies all over

UNCLASSIFIED

the place seemingly not coordinating.

At or about the same time, I think the FBI came to the department ~~as~~ requesting we --do something to bring this matter under control in terms of setting up a comprehensive investigative and prosecutorial effort here. Accusations, of course, were flying all over the place with respect to government complicity, CIA cover-ups, and what have you.

MK

Ultimately a meeting of all interested agencies and U.S. Attorneys Offices was convened. It was held in the auditorium of the FBI. I kid you not, just in terms of the number of interested parties.

I mean, it was really--it was just a bizarre phenomenon. Because everything that was ever wrong with this country was being attributed to Wilson. And everything ~~was~~ had a alleged Wilson connection. And we just didn't know if there was any substance or not to it. Obviously, I'm being facetious.

MK

So there was a need to try to bring it all together and coordinate the inquiries.

What emerged was my assignment to be responsible for trying to pull it together and make some sense to the investigation and prosecution. And that's how the Wilson task force, if you will, came to be created.

Q Did you select a district or districts that would act as the center of gravity or the lead in the investigation? Or how did you--how did you bring it all together, I guess is

UNCLASSIFIED

my question.

A Well, at that time the focus of the allegations, as you know, were in the District of Columbia. And we had Larry Barcella, who had, if I'm not mistaken, already brought down charges against Wilson and others. There were several ongoing inquiries that were based in D.C., but even those inquiries--upon analysis, it was clear that the venue for the kinds of ~~defenses~~ offenses that they were looking at was elsewhere.

mr

So we brought in other districts as the information began emerging. We brought in many districts--Houston, in particular, Virginia, Colorado. We had resolved one aspect of this in Philadelphia where we quickly established that that was not a Wilson matter, if you will. And we began tapping into other resources from those U.S. Attorneys Offices.

There came a point in time when the FBI at my request had, in effect, categorized all the Wilson allegations and had come up with some 50 or 60 different transactions, if you will, which in my judgment had to be examined during the course of this effort. And they ranged from classical bribery to espionage, illegal exportation of guns, explosives, and the like.

I had--I did, in fact, convene regular meetings of both the key prosecutors and the key investigative agencies, where we would--well, let me back up. First I assigned out

UNCLASSIFIED

primary responsibility for all of these transactions to different offices and prosecutors, based on what appeared to be logical venue at that time as then known.

And then we would meet regularly--this is primarily at the investigative stage--to ensure that each agency and each U.S. Attorneys Office involved would know what other agencies were doing and planning to do with respect to developing their particular ~~responsible~~ areas.

We also tapped into some Criminal Division attorneys that were utilized to augment the U.S. Attorney complements.

I trust that's responsive.

Q There came a time in early 1982, I believe, when the EATSCO aspect of the investigation was assigned to the Eastern District of Virginia, is that correct? Can you tell me what went into that decision and how it came about?

A Well, I think it was clear that for that particular case, the venue was there. I mean, you had a defrauding of--if anything--the Pentagon. And that was a logical place for venue.

It was seemingly the kind of case that required, in my judgment, someone with a white collar crime background. It was more a paper case. And we were very fortunate to have, in my judgment, someone I consider to be an extremely good, accomplished prosecutor in the white collar crime area, Ted Greenberg, who was in Virginia.

UNCLASSIFIED

And looking around for alternative venue, on reflection, I'm not sure it had some of the--that were in Rhode Island and elsewhere around the country. I'm not sure that there was any other district ~~what~~ I would consider to have ~~be~~ logical venue other than in Virginia.

Q Did Mr. Barcella in the District of Columbia express dismay or any problem with that assignment?

A Well, Larry Barcella wanted to be the head of the entire task force. He wanted to be responsible for all cases. What Larry didn't appreciate was that he was not well-liked in terms of his ability to get along with other agencies and other prosecutors. To me, that was a--as being able to coordinate this kind of multi-district effort.

Q Did--in particular regard to the venue on the EATSCO investigation, did you discuss that with the people who were then your superiors in the Department of Justice?

A I don't recall specific discussions, but I was in close communication with the U.S. Attorney's Office in the District of Columbia. In fact, they were very concerned and almost insisted on being present at every meeting that Larry had with us because they wanted to be sure that they were apprised of what was going on.

Q This was who?

A I think at that time--well, it was--Joe DiGenova was the first assistant.

UNCLASSIFIED

Q This was the U.S. Attorneys Office in Washington?

A John Hume, I think, was head of the Criminal Division. He was very interested in making sure that he knew what Larry was doing.

Q And Larry was in his office.

A Larry was in his office, yes.

Q Did you ever--leading up to that decision, did you receive any input on that--on the allocation of that case to the Eastern District of Virginia from anyone outside the Department of Justice? Did anyone--did you solicit anyone's opinion or receive anyone's recommendation as to whether that case should be assigned to someone else out of the department?

A I don't recall. Those decisions, quite candidly, as to where to assign the cases was, as I recall, largely made by me based on my assessment of what we had in terms of the strength of a particular office, the venue, what else was on their plate in terms of assignments, and what have you.

Q But no one from the NSC or from the White House or the Department of Defense or State approached you or communicated with you regarding that decision.

A I'm not even sure that they were aware of it.

Q Or the CIA--I should throw in that.

A Well, I mean I'm sure they became obviously aware of it very quickly as to how we were structuring this. I mean, it was no secret what we were doing.

UNCLASSIFIED

But let me say the--position of Larry. Larry had tremendous knowledge, certainly at the outset of this particular case--knowledge that was of value. He had the historical knowledge that was important. And I tried to integrate him to the extent I thought appropriate in other cases, including the EATSCO case and including the case in Houston and even in the case in New York.

MK So ~~it's~~ there's not a suggestion that Larry was cut out of the process. He was aware and had, as far as I'm concerned, ample opportunities to have input in critical decisions--in fact ~~was~~ had, if you look at the record, participated in many Eastern District grand jury sessions. But in terms of a tactical judgment where to put this case, the record is there.

Q Were you aware that at or about that same time--that is, when the decision was made that venue lay in the Eastern District of Virginia--that Mr. Barcella had been approached by Michael Ledeen? Had you ever heard anything in that regard?

A When you say approached, I'm not sure what you mean.

Q That he had had a contact from Michael Ledeen regarding the investigation.

A I don't recall that. Somebody at some point--someone told me that Larry Barcella had purchased his house from Ledeen, but I don't know when I heard this or from whom. I don't recall--Michael Ledeen--I may have known that, but--

UNCLASSIFIED

Q It doesn't ring a bell?

Let me back up to what ~~expended~~ happened--it's important. The original referral or contact with the individual that subsequently assisted in inducing Wilson to leave Libya was through the NSC. Newspaperman Hersch brought this individual to Allen, who was then the National Security advisor. ~~And~~ With the representation ~~of~~ that this individual could somehow help in obtaining the apprehension of Wilson, that individual was subsequently referred over to the department.

But I don't think Ledeen was involved in that. I just don't recall Ledeen being involved in the Wilson matter.

Q Let's return, if we could, to the Hickey subgroup meetings, at which you said Admiral Poindexter was in attendance--at some of them, at any rate.

A That's correct.

Q The Wilson case came up in the context of those meetings on one or more occasions, did they not?

A That's correct. I would generally raise it only when the group was discussing events or upcoming events that might trigger a reaction from a foreign power. And it was in this context that I would mention a particular event which might happen or we anticipated would happen in the near future which, as I said, might spark a response from a foreign power.

Q In the context of those briefings or in the

UNCLASSIFIED

information that you passed on to the rest of the group, did Major General Secord's name ever arise?

A I don't recall his name coming up in the context of those meetings. The only thing I could suggest is that there was a secretary present in most if not all of the meetings that took what I always assumed were minutes. I have never seen them. And I would refer you to those minutes.

Q Whose secretary would that have been?

A I always assumed it was someone from Mr. Hickey's staff. I don't have a name to offer.

Q Do you know if the minutes were ever transcribed?

A I don't.

Q Did you ever see any typed or written minutes of the meetings after the meetings that occurred?

A I don't recall seeing them. It certainly was not routine to distribute minutes or anything like that.

Q Let me return to the question. Actually, we hit it right on the head. To your knowledge, was General Secord's name mentioned in the course of the discussion of the Wilson case--at any point?

A I don't recall. The subject of Egypt on occasion did come up. But I cannot recall ever specifically mentioning General Secord, nor could I focus in on any event that was going to occur that would have suggested that I might have raised it in the context of this meeting.

UNCLASSIFIED

But let me say, if I may, that it was at this time ~~not something that was~~ there was nothing particularly secret about the EATSCO investigation and the involvement of General Secord. We had--I forget whether we instituted or recommended it--at any rate, General Secord had been suspended as a result of this investigation. I think there were numerous articles about the investigation, its impact on Egypt, and what have you.

So the fact that we were investigating the general was no secret at that time. We had briefed various congressional committees about the matter. It was just something that was ~~barely~~ fairly public--going on.

Q Is it fair to say that as the investigation and particularly the capture of Mr. Wilson played out that there developed some tension between the FBI and some of the other agencies or entities involved in the investigation?

A Well, one of the forces at work, if you will, that led to the creation of this effort and coordination was the ongoing tension between investigative agencies. And there was a certain degree of tension between the FBI and Larry Barcella.

Q What was the source of that tension, as best you could understand?

A Well, here you have--depending on how you wish to look at a given transaction--you have agencies with a variety of overlapping jurisdictions. A given transaction could give rise to FBI jurisdiction as well ATF, as well as Customs, and what have you.

And I think you did have questions about the--you know, what one agency was doing on one aspect and the other agency feeling they should be the lead agency and what have you. I mean, it's classical jurisdictional squabbles.

So part of the justification, if you will, I think, for needing this coordinated effort was to reduce, if not eliminate, this inter-jurisdictional problem.

Q Let's take about a five-minute recess here. I want to clear up some things and stand up. Everybody stretch their legs.

[Recess]

MR. McGOUGH: Let's go back on the record.

BY MR. McGOUGH:

Q Speaking of the Wilson matter for a few more minutes--in the course of the investigation, did you ever learn or hear about any interest in the investigation on the part of Erich Von Marbad?

A Well, he was a target of the investigation.

Q Were you aware of any attempt by Mr. Von Marbad or anyone associated with him to influence the investigation through governmental channels?

A I don't know whether it was through Mr. Von Marbad--let me back up. I have a recollection that I think it was his attorney attempted at the outset to bring to the NSC's attention what the attorney characterized as the potential dire consequences on our relations with Egypt that would flow from this inquiry.

If I recall correctly, Bob ~~Kimit~~ Kimmett, who was I think then the general counsel of the NSC, was the one who was handling it. The State Department was going to meet or was pushing a meeting between the NSC and I think it was counsel for Von Marbad. I believe so. And I think, if my memory serves me correctly, we went through the ceiling and said no meeting--don't meet with them. And if I recall correctly, we were successful in cutting it off.

I must admit that my memory is vague, but I would refer you to Jeff Smith, who's on Senator Nunn's staff, who at that time was working with us--working with me very closely--on the EATSCO matter. He was at the legal advisor's office of the State Department. And I think this issue--he and I worked together to turn off this effort, if you will.

Q In the course of your contact with the Wilson investigation, did it ever--was there ever brought to your attention any attempt to influence the investigation that you felt was improper, be it on behalf of Mr. Von Marbad or anyone else?

A Quite candidly, I have no recollection of anything that I would describe as undue influence or attempted

UNCLASSIFIED

influence. I obviously kept my superiors apprised of developments. They were interested in different aspects of the case. But they never, to my recollection, suggested courses of action or vetoed courses of action that we wanted to take.

So I guess the answer to your question is no.

Q Let's turn, if we could, to the hostage situation and various plans--possibilities for rescuing them. Then again, if we get into an area that you feel is still classified, let me know and we'll try to finesse it as best we can.

But prior to the--do you have a recollection that you wanted to add to the record?

A What would--I'm hesitating--going back to your last question. One aspect of the Wilson inquiry which we looked into was the relationship or possible relationship of Wilson and associates with a senator. And there was concern expressed because--or at least conveyed to me that I had opened an investigation and commenced an investigation without clearing it with my superiors that involved launching investigation of the senator.

WR Er.

Q Was that investigation ultimately launched?

A Yes.

Q You say concern was expressed. Do you recall who expressed concern to you about it?

UNCLASSIFIED

A It was more of a surprise that I had done it without apparently clearing it or advising my superiors of that effect. I'd be speculating that it was probably Lowell Jensen, but I don't recall. It was what I regarded as a milc reprimand for not following procedures, at least as they perceived them.

Q Did he indicate that he had received a reprimand or an input from anyone else that sparked his own approach to you?

A There was some surprise being expressed that it was done without knowledge of higher officials within the department. It was a reprimand for failure to notify rather than focusing on substance. At least, I interpreted it that way.

Q We have to ask for the record who the senator was. I assume--with the caveat this is a committee document which will be classified as committee sensitive and would not be released absent a majority vote of the committees. At least that aspect--any aspect of it would have to--

A Well, it involved Senator Thurmond.

Q An alleged contact with Mr. Wilson.

A Not--I don't--if I recall correctly, I don't believe directly with Mr. Wilson. It was his associate who indirectly was trying to purportedly influence the senator ir some fashion to accomplish some bidding on Wilson's behalf.

UNCLASSIFIED

Q All right. Let's turn to hostage rescues, if we could.

Prior to the revelations of the arms deal in November of '86, I understand that you were involved in several possible efforts to rescue or ransom or secure the release of the hostages. Could you itemize the ones in which you were involved. And we may ask you about some of the others in a minute.

A Not in any particular order. [redacted] But at any rate, the Southern District was interested in acquiring some assistance from Switzerland, and in that fashion I became involved in working with the Southern District to accomplish their prosecutive objectives.

So there came a point in time when Andre Serena, who was then the assistant legal advisor at the State Department, thought that it might be fruitful to explore the possibility of--maybe we should go off the record.

MR. McGOUGH: For the classified stuff?

MR. RICHARD: Yes.

MR. McGOUGH: Let's go off.

[Recess]

UNCLASSIFIED

MR. McGOUGH: Going back on the record after we have had the discussion about classified matters in the context of hostage release or rescue plans.

BY MR. McGOUGH:

Q Mr. Richard, let's refer to one you raised before we broke, [redacted] Am I correct so far?

A That's correct.

Q And while the Justice Department gave its input on the matter, the plan itself never really materialized.

A To my knowledge, it never did.

Q Let's turn to another incident of which--which we discussed off the record. It involved, did it not, a fugitive who was under indictment in the United States who--again, through an intermediary--offered to set up a meeting with Iranian official to discuss possible release of the hostages. Is that correct?

A That's correct.

UNCLASSIFIED

Q And the fugitive or his intermediary offered to do that in exchange for some consideration on the outstanding criminal charges.

A Some unspecified consideration--yes.

Q Did the conversations--or did the discussions of that proposal include, to the best of your recollection, any mention or reference to what the Iranian official might want in exchange for assisting in the release of the hostages?

A No. I don't recall if there was any specifics discussed, and the notion was to sit down and listen to the Iranian proposal, as I recall.

Q And again, that never--that meeting never came to fruition.

A To my knowledge, it never did.

Q Then there was an episode involving a relative of the fugitive we've just been discussing, of which--a proposal of which you're general aware, is that correct, but that is primarily the responsibility of Vicki Toensing in the department.

A That's correct.

MS. NAUGHTON: Could you--did we get on the record approximately when this individual was indicted?

MR. McGOUGH: The fugitive we were discussing?

MS. NAUGHTON: Yeah.

MR. McGOUGH: Let's put it on the record.

MR. RICHARD: I believe it was late '70's.

UNCLASSIFIED

MS. NAUGHTON: Do you know what the charges where?

MR. RICHARD: Illegal exportation of munitions and other military equipment and violation of, I believe, the munition control laws.

MS. NAUGHTON: Thank you.

BY MR. McGOUGH:

Q Now, there was an episode involving a representative of the United States Customs Service that you indicated there was not anything classified about. Could you describe your connection with that?

A Yes. On one trip to London I had occasion to visit with the Customs attache assigned to the embassy. It is my practice to try to stop by when I am in a foreign capital and visit with law enforcement people, time permitting.

On this occasion, the Customs attache brought to my attention the fact that two sources of theirs had indicated an ability to effectuate the release of the hostages. The representation was that at that time, which I would place probably in late '85 or early '86, these individuals had information that there was, to begin with, one additional American hostage that we were unaware of and that for payments of certain monies that they could accomplish the release of the hostages. The Customs Service, as represented by the attache, was uncertain how to proceed with this information.

UNCLASSIFIED

Upon my return to the United States I discussed it, as I recall, with the State Department and other members of the Department of Justice and through exploration quickly concluded that we were in all ~~likely [sic]~~ likelihood dealing with a scam. We referred it to the FBI for consideration of possible criminal prosecution of these individuals for attempting to defraud the United States.

That's my recollection of that incident.

Q All right. Let's refer briefly to two other episodes or proposals. One--let's call it the New York proposal and the other the Detroit proposal.

The New York proposal is an ongoing matter. Is that correct?

A That's correct.

Q And the Detroit proposal is a recently closed matter. Is that correct? The agency that had been brought in in regard to the hostages has determined not to pursue it further. Is that fair to say?

A It is my understanding that the matter is closed as far as that agency is concerned. That's correct.

Q All right. Now, to your knowledge, in either the New York matter or the Detroit matter was the NSC involved in those?

A Not to my knowledge.

UNCLASSIFIED

Q Are you aware of any proposal for an operation relating to the hostages that involved agents of the Drug Enforcement Administration in an operational role?

A I was not aware of that. My only knowledge is limited to what I read in the public media.

Let me, if I may, just go back and possibly amplify or clarify a response I previously made with respect to possible involvement in the NSC and these initiatives.

We have--at least with respect to the matters we have been discussing--worked closely with the State Department to coordinate these efforts. While I don't recall ever--let me go back and stop at this moment and correct an answer I already gave.

And that was with respect to these three issues that were the subject of a memorandum that you were aware of. There was a meeting at Ambassador Oakley's office concerning all three of them. And if I'm not mistaken, at that meeting there was a representative of--I have to assume--the NSC.

Q But you can't recall who that was?

A No.

Q Or what if any input that person had?

A I don't recall that individual mentioning anything.

Q Do you recall--can you put a time frame on that, approximately?

A I would certainly peg it to the date of the memorandum, in that--give a take a week either side of the date of the memo.

Q And that's the memorandum that discusses or sets forth an update on [redacted] initiative, the fugitive initiative, and the Customs initiative. Is that correct?

A That's correct.

Q Now, I think you were clarifying your answer when you interrupted yourself--the point of qualifying your answer that to your knowledge the NSC was not involved in any of these.

A Yes. My answer being a negative at that point was really designed to be limited to my contacts with them. But throughout this process I always assumed, I believe, that Ambassador Oakley or others at the State Department were in close contact with what I understood to be a White House group that was focusing on hostage-related issues.

Q In the context of hostage-related issues, did you ever have any contact with Oliver North?

A I don't recall such contact, but during one of the incidents--whether it be the hijacking of the Achille Lauro or the TWA hijacking--I was on duty that evening and I was with the general counsel of the CIA a good portion of the day and night.

Q Do you know if it would be Judge Sporkin?

A Yes.

UNCLASSIFIED

And there were many people in and out over a the

UNCLASSIFIED

CIA at the time. I don't recall Colonel North being there, but it's quite possible.

Q Were you aware that he was--as they say over at the NSC--responsible for the hostage account, that he was involved in hostage issues at all?

A I think I was aware that he was working on this account in some capacity. It was my understanding that the FBI had some ongoing liaison with him in some intrigue--setting. They have a lot of acronyms that I really never fully learned.

I do recall that we in the Criminal Division were attempting during this time to participate in that process because we thought it was relevant to us to directly be present at these various meetings.

Q While we're on the subject of Colonel North's account--or accounts--when, if ever, did you become aware that he was also responsible for the Central American issues at the NSC?

A I couldn't pinpoint that I was ever aware that he was responsible for any Central American account. I knew from media reports that he was heavily involved--or purportedly heavily involved--in Central American activities. But I couldn't pinpoint any specific time that I acquired this information.

UNCLASSIFIED

Q Let's turn, if we could, to Central American

UNCLASSIFIED

issues, in particular investigations of Neutrality Act violations or gun-running or efforts--let me put it this way--efforts to assist the democratic resistance in Nicaragua in particular.

Did there--was there ever a time when there was an effort made to consolidate or coordinate investigations that related to supplying the democratic resistance in Nicaragua?

A Well, when you say to coordinate those kind of cases--there came a point in time in late--I think it was mid- to late-'86 when there was increasing congressional concerns and pressures, if you will, for information regarding pending inquiries.

I had, for one, been urging the Criminal Division to pull it all together, if you will, because the cases of interest in this area and the area I would define as one relating to Nicaragua and the activities of the contras and the activities relating to the Sandinistas--there was a fragmentation within the division of responsibility, if you will, over these cases.

Q Would they have generally come under your auspices at all?

A Well, yes and no. I mean, part of the focus of many of the inquiries was alleged narcotics violations, for example. And those kinds of cases--if that was the principle thrust of the case--would not, even though a subsidiary

UNCLASSIFIED

aspect might be a neutrality-type violation.

Likewise if it's a--you know--we had cases that would seemingly ~~span from~~ cover the area of arms violations domestically, which can go to our General Lit Section. You had assertions of fraud of some of the humanitarian programs that would go to our Fraud Section. And if it was straight neutrality, it would come under my bailiwick. So there was a, seeming to me, anyway, ~~of~~ fragmentation of responsibility for an area that was of tremendous public interest.

Q But that--as far as the consolidation, that would have been mid- to late-1986 when that began to gain momentum.

A Well, what happened--Bill Weld began calling sessions, if you will, of interested parties, if you will, trying to get--as I appreciated it--an overview of what was in the hopper, if you will, regarding Central American activities.

Q Was the Hasenfus crash the catalyst for that sort of thing?

A No, I don't believe there was any particular case. The catalyst--if you're looking for a catalyst, I think it was the increasing congressional pressure for information. We had a list of--coming from I think the Foreign Relations Committee on the Senate side of 25, 30 individuals and information about these individuals that the committee ~~is~~ was demanding to know their status. There~~'s~~ was a lot of cross-cutting requests coming in from Congress.

And again there was the sense that--at least I had the sense that nobody really knew what was in the works.

MR. McGOUGH: Let me show you--let's have an exhibit market here as Richard Deposition Exhibit 1.

[The document referred to was marked for identification as Richard Deposition Exhibit No. 1.]

BY MR. McGOUGH:

Q This is a memorandum dated April 13, 1984 from Stephen Trott to you and Vicki Toensing with our control number J-4782 on it. It refers to the Boland Amendment and requests a memorandum on that amendment.

Do you recall this memorandum?

MK

A Yes ~~Yeah~~. If I recall correctly, this was triggered by one of many congressional requests for appointment of special prosecutors. I'm not sure what the specific triggering event ~~of that~~ was.

MK

Q Could it have been the mining of the harbors in--if you look at the third paragraph, it says, "Richard Willard and Ralph Tarr insist that 1341 means that if zero funds were authorized for 'mining activity' etc. . . ."

A I believe you are correct.

Q There's a--the second paragraph says, "What is the effect of its expiration on our problem?" Do you know what that refers to?

UNCLASSIFIED

A I can only speculate again, but I would assume--and it's pure speculation--that it's the question of the applicability of ~~any of~~ the special prosecut~~ive~~or ~~bill~~ act. But I'm just speculating.

Q To your knowledge, was this memorandum--not this memorandum but this time frame that surrounded the memorandum--the first time that you and your group became involved with the Boland Amendment and its applicability to efforts in support the Nicaraguan resistance?

A When you say the frame of time, probably so. I would venture to say that this is in the ball park of when it became an issue.

Q Did you and your division continue to monitor the possible criminal implications of the Boland Amendment as it went through its various phases?

A Quite candidly, when you say did the division monitor the Boland Amendment--no, it didn't. As far as I was concerned, it was a regulatory provision without criminal penalties. So when you say monitor--the compliance aspect, if you will--compliance with the thrust of the Boland Amendment--quite candidly would not be something that as far as I'm concerned would fall routinely in the jurisdiction of the Criminal Division.

UNCLASSIFIED

Q Although in 1984 that theory was being advanced, was it not, by Mr. Willard and Mr. Tarr via the Antideficiency

Act?

A Oh, yes. By all means. When you have a specific issue that arises, obviously we would take a look at it. But what I thought you were suggesting was that we in the Criminal Division monitor the compliance with a variety of congressional requirements.

Q No, I wasn't referring so much to monitoring the compliance as I was to monitoring the evolution of the Boland Amendment in its various manifestations to determine--to do this sort of exercise periodically. By this exercise, I mean that referred to in Exhibit 1.

A No, that I would probably say if it would be the responsibility of anyone, Mary Lawton's office--the Intelligence Policy Office--to monitor the evolution, if you will, of the statute and its potential import.

This, if I recall correctly, triggered the first--or triggered an analysis of the Antideficiency Act and followed on the heels of a meeting which I did attend. But I believe it occurred between various assistant AG's in the department.

Q Was there any decision--was there a decision made at this time or at a later time as to which of the various departments--various sections of the Department of Justice would have primary jurisdiction over Boland and Antideficiency Act violations?

A I don't think it was assigned in that fashion--you know, responsibility. The issue kept coming up in the context of the applicability or non-applicability of the special prosecutor's bill or the independent counsel's bill being triggered by congressional referral, citing, among other things--I don't think they ever cited the Antideficiency Act--but citing from the Boland Amendment.

Q Let's go, if we could, to an investigation in the Southern District of Florida that's received a lot of attention. It's been called a number of things. The initial--one of the initial informants or sources of investigation was a fellow by the name of Garcia. It's also been--I think down there it's referred to as the Costa matter. You're nodding your head, so I think you know which investigation I'm referring to.

A Yes. I'm familiar with the one you're referring to.

Q Can you recall what your first contact was or awareness of it was of that investigation?

A Well, depending on how you define investigation, the investigation that focused in Miami is an outgrowth of an earlier investigation or a different investigation or a segment of a larger investigation--however you want to characterize it--involving the CMA and its founder-leader by the name of Posey.

There was a Neutrality Act violation investigation begun I think in about '84 or '85.

Q In what district, do you recall?

A I don't think--as you will find in many Neutrality Act cases, the bureau will open an investigation and not necessarily bring it immediately to the U.S. attorney's attention. So I think the bureau had it focused in Alabama, where Posey was headquartered. But I'm not sure that the USA had been apprised of it. But the bureau, in Neutrality Act violations, works closely with our Internal Security Section. So I can't say that the USA at this point was necessarily an integral part of the inquiry.

But in any event, that was ongoing. I think it was triggered or it occurred about the same time a helicopter involving Posey's operation--it was the downing of some plane--excuse me--or craft and the killing of a couple of men who were traced back to being members of the CMA, if I recall correctly.

Q Were you aware of that investigation contemporaneous?

A Was I aware that there was such an investigation? Yes. I was aware that it was ongoing.

Now, how does that tie into the investigation we are here talking about--this part of it? In March of '86 I received a memo--not a memo--what I call a buck tag.

MR. McGOUGH: What we're showing--we've got--I'm

UNCLASSIFIED

showing the unclassified version of it, which does not include--or I'm having marked as a deposition the unclassified version of it, which will not include the attachment to it. It consists--the unclassified version consists of four pages which had been used as a--were introduced as an exhibit during Mr. Meese's testimony.

[The document referred to was marked for identification as Richard Deposition Exhibit No. 2.]

BY MR. McGOUGH:

Q And we have available for you the classified portion, which is essentially all of the memorandum from Mr. Revel to the deputy attorney general, if you would care to review that. But again, because of the constraints what we'll do is mark this as a deposition exhibit and refer to it unless you feel it's necessary--if you want to review the FBI memorandum.

Looking at Deposition Exhibit 2, is this the--particularly page two--is that the buck slip to which you were referring a moment ago?

A That's correct.

Q Can you tell me, to the best of your recollection, when you received that buck slip? Was that the first indication you had that this investigation had surfaced in the U.S. Attorneys Office in Miami?

UNCLASSIFIED

A I believe so. The first contact that I recall with

UNCLASSIFIED

the Southern District of Florida was triggered by this, although I cannot say categorically that the FBI had not been in touch with them on earlier occasions with respect to the CMA aspect.

Q The memo to you is dated March 24 and reads, I believe, "Please get on top of this. DLJ"--which would be a reference to Lowell Jensen--is that correct?

A That's correct.

Q --"is giving a heads up to the NSC. He would like us to watch over it." Am I right so far?

A That's right.

Q "Call Kellner, find out what is up, and advise him that decision should be run by you." Is that correct?

A That's correct.

Q All right. Now, let's--first of all, let me back up a moment.

Do you recall seeing a letter from Garcia's wife, either to the judge involved in the case or to the Department of Justice essentially raising allegations about the circumstances of his prosecution?

A I don't recall seeing it, but I recall hearing about it. I hate to assume for Mr. Kellner, but I can't say categorically I haven't seen it.

UNCLASSIFIED

Q Is it possible that you had a discussion of that letter with Mr. Kellner prior to March 24 of 1986, when you saw the buck slip?

A Is it possible? Yes, but I assume he won't recall it.

Q Would you have initiated that conversation--for that conversation regarding a letter?

A On what basis would I initiate it?

Q I have no--

A When you say initiated, you're assuming I had the letter. I don't recall doing that.

Q Do you recall initiating any conversation with Mr. Kellner prior to receiving the buck slip as part of Exhibit 2 regarding this investigation?

A My answer is no, but you have to appreciate I can be talking to Leon Kellner with great frequency over a variety of issues and a variety of times. So I can't categorically respond. I have no recollection of talking to him about this matter prior to this buck tag.

Q It says that Mr. Jensen is giving a heads up to the NSC. What did you understand that to mean?

A That he was alerting them--I mean, it makes sense when you read the content of the classified attachment why there would be, in my judgment, a need to alert the NSC. In fact, I think a failure to alert the NSC, in my judgment, would be foolhardy by the department, given the content of the classified document. I mean, I--

Q Without going into the details of the investigation in the classified document, can you be a little more specific about what it was about this investigation that you felt merited a heads up to the NSC?

A Well, you're talking about a plot to assassinate a U.S. ambassador. You're talking about a plot to attack U.S. facilities and other embassy quarters of friendly and unfriendly nations. I mean, this is stuff of potential significance to not only the security of individuals and the United States but in terms of tremendous foreign relations impact, and since the FBI had alerted previously the State Department, INS, Secret Service, and the whole--the other interested agencies, it's natural that somebody in this context better tell the NSC. Because I think it is something that is particularly appropriate for the NSC to know about, assuming you give any credence to the allegations.

Q In cases like this with the same sorts of implications, was it--were other briefings given to the NSC? Can you recall any other case where a briefing was given to the NSC?

A Two weeks ago I briefed the NSC on a case involving an ally. We were about to take enforcement actions that would have tremendous ramifications on our foreign affairs. And there was a full-blown meeting with the NSC. I mean, how far do you want to go back? I'll be glad to--

Q But I mean, there were other occasions.

A What you're talking about is a law enforcement--it's activity which by its very nature has potential significant impact on the--obvious impact--on the security of this country and how our foreign relations appears. To say that somebody should not alert the NSC, I think, is foolish.

Who should be the one alerting them--that is an issue I can't address.

Q Well, that's really the next question I wanted you to address, and that is why would the deputy attorney general be the one who would go over to the NSC to alert them? I mean, if it's a matter of just briefing them on a matter that's of interest to them, would that not be normally done at your level or by the FBI or someone like that?

A No. By my level? No. I don't routinely brief the NSC. I believe that I would request--I mean, it is atypical for me to be in touch with the NSC except in the most unusual circumstances.

The FBI--I can't speak for them in terms of routine briefings and relationships with the NSC. Moreover, I can't address what is routine contact between the attorney general or the associate.

UNCLASSIFIED

But if I may, let me just say that sitting where I sit, you have to appreciate, I think, that we are moving into an area of international law enforcement. Law enforcement is

UNCLASSIFIED

more and more impacting--directly and indirectly--on other vital interests of this country in the international arena. It's a function of a variety of factors, including the fact that crime has become international. Whether it's narcotics activities, terrorism, export controls, we are moving into the international arena.

Moreover, just acquiring information abroad requires more and more contact with foreign countries and what have you. And our statutes that Congress is passing ~~from~~ for dealing with these issues are giving us more and more extra territorial jurisdiction, so that we're constantly running into this issue of dealing--or impacting on foreign affairs.

So quite candidly, this issue of coordinating law enforcement with other vital equities of the government is one that we'd better start facing up to.

I'm sorry if it sounds like I'm pontificating, but I don't know--to just set it in context, I remember going back when I was testifying in the Billy Carter matter and one of the senators asked me how--why I felt it was important that the attorney general notify the NSC of information we had learned, and I asked the senator was he suggesting at that time that the Department of Justice should not advise the White House that the Libyan government had designed a plot to infiltrate the White House? We should not advise the White House of that fact? And I said in my judgment, that's

UNCLASSIFIED

irresponsible.

And I continue to adhere to that. You must set up some realistic system of making sure that there is some coordination.

Q Well, let me--was there--did you feel it was unusual for Mr. Jensen to be the one to make that contact?

A I don't know, when you say unusual--I have long felt that it's important for the attorney general to be--play a role in NSC activities. I felt it's important to have what I would regard as the Justice Department oversight into that process.

Who should accomplish that? At what level within the department? I don't know. I do not advocate that it come down to my level. I think at my operational level--or more operational level--you should try to minimize White House contacts.

Q Are you aware of any other instances where the deputy attorney general briefed the NSC on a pending investigation? By the deputy attorney general, it doesn't necessarily mean Mr. Jensen. I mean anyone serving at that point as deputy attorney general.

UNCLASSIFIED

A I am not aware of any, but I would have to assume that the White House contacts at the NSC level on spy cases, whether it be the Pollard case, the Walker case--I would have to assume that there is dialogue because of the nature of the issues we're talking about.

Now, I can't attest to them, but I know, for example, the NSC will be tasking intelligence agencies to find out what is the damage being accomplished by certain espionage cases that we are working. And in that regard, there is a flow of information, if you will, for what I regard as well-founded, legitimate purposes.

Who's accomplishing it? I can't say.

Q The buck slip refers to--the second sentence says, "He would like you to watch over it." What did you understand your assignment was at that point?

A Again, in reference to the nature of the allegations, to stay on top of it, to be familiar with the ongoing issues as they emerged, and to ensure that the case doesn't languish, that there is--

Q Does not languish.

A That it doesn't languish. That it moves ahead to resolution.

Now, I've regarded this, based upon the context, notwithstanding the way the bureau may have ~~captured~~ captioned it, that the first of the threats, if you will, stemmed from the [redacted] relationship where we had credible information that that was a possibility of violence, coupled with the targets identified. To me, that was the gravamen of the interest.

UNCLASSIFIED

Q Interest by?

A I assumed upstairs. You know, the gravamen of the NSC interest, the gravamen of the deputy's interest, the gravamen of the FBI interest. This is an ongoing case, and all of a sudden the FBI is coming to the deputy. Hey look. Look what's going on. And you read the memo. Why is the FBI coming there but for these points?

EXAMINATION BY COUNSEL FOR THE HOUSE SELECT COMMITTEE

BY MS. NAUGHTON:

Q Was it your understanding that this case came to the attention of Mr. Jensen through the FBI or through the NSC?

A No, no. I assumed it was the FBI to Jensen.

Q Do you have any basis for that assumption?

A I'm assuming that this was all being triggered by the FBI to Jensen, by this memo that is attached. It's an assumption based on the flow of paper, but maybe there's another way.

Q You first received the memo as an attachment to the buck slips, correct?

A That's right.

Q So you actually received them from Mr. Trott, is that right?

A That's right.

UNCLASSIFIED

Q So when you received it, you did not know whether or not Mr. Jensen had even seen it.

A Oh, I assumed so because the buck tag referred to the fact that DLJ--Jensen--had already given the NSC a heads up.

I assumed that because the FBI buck tag--the FBI memo was addressed to Jensen, if I'm not mistaken, that this was triggered as a result of the FBI memo to Jensen. Whether there was a meeting or whether it was just Jensen reading this memo and saying, "Here's what has to be done," I can't tell you.

Q Okay. So you don't know if it was a function of Jensen knowing about the case and asking the FBI to do a memo or it's a function of the FBI bringing the case to his attention.

A I have no idea.

EXAMINATION BY COUNSEL FOR THE SENATE SELECT COMMITTEE

BY MR. McGOUGH:

Q The last line--the last two lines essentially ask you to advise Kellner that decisions should be run by you. What decisions did you understand that to mean?

A Decisions to prosecute or not prosecute.

Q The ultimate decision was then to indict or not to indict. What about interim steps? That is, whether to issue

UNCLASSIFIED

grand jury subpoenas, whether to call certain witnesses, whether to interview certain people. Did you consider those the types of decisions?

A I really didn't--it's not something that I would normally do, nor did I do it here--for me to run the investigation. That's--I interpreted as keeping apprised of what was going on, apprised of what they were doing, the way they were going. And beyond that--the manual requires, at least in a neutrality area, close coordination, but that's--I'm not sure that I would have ever thought of--if you would take this literally--I would have to run the investigation myself. And certainly that's not what happened. That's not what I considered I was being asked to do.

Q Would you assume that decisions meant the decision to indict or not to indict?

A Well, certainly that. Certainly any major--you know, if you're going to immunize the critical subject I would want to know about it or something like that. If you're going to take an enormous step, I'd want to know about it.

Q Why--what was it about this case that triggered that kind of supervision?

UNCLASSIFIED

A Well, again, in the context--it's not this case--it's the context of the information in the memo.

Q Let me back up for a minute. I understand why--

you've indicated why you were watching over and being advised about what was going on.

But there's an addition later here, and that is you're being asked now to say--to approve or disapprove decisions made in Miami, specifically a decision whether or not to indict. What was it about this case that made it important that main Justice clear the decision to indict or not indict?

A I can't answer. You're going to have to ask Steve Trott. I mean, you know, what was in his mind? I mean, I can't tell you what was in his mind. I can tell you how I interpreted it, and it's just--I'm not sure whether it was triggered by--I'm not sure of the timing.

And I know we had a problem with Kellner wanting to go with an open indictment at a point in time when we didn't want him to go. We wanted to keep a particular indictment sealed because--

Q Was this in this case or in another matter?

A No, but it--well, it related to our dealings with [redacted]

Now, whether that influenced Steve's decision--Steve Trott's decision--I don't know. I'm not even sure whether this is a Steve Trott decision or a Jensen decision.

But you're asking me to speculate whether I was concerned that Kellner might go off on his own and do something that would impact adversely [redacted] and elsewhere--I don't know.

Q Did you consider it unusual that you were being instructed to clear decisions like indict or not indict?

A Yeah. It was unusual. It was unusual. Again, I just hark back to the unusual--what I regarded as the sensitivity of--the allegations regarding threats to individuals at enemy installations.

Q Did you consider the Neutrality Act gun-running allegations to be as sensitive as the--

A No.

Q Did you consider those to be at all sensitive?

A Not particularly.

Q If you look at the first page of the exhibit as a buck slip--what appears to be a buck slip from you to some--excuse me--tell me what it is. That's probably--

A It's a handwritten ~~verbal~~ note of where I am with respect to a particular matter. It's just my own reminder. There are so many things that cross my desk at any given time. It just keeps me apprised of what I've done on a particular matter.

Q It indicates that on March 26 you spoke to Kellner and that the AUSA not back yet from New Orleans.

A Not back from New Orleans. Right.

Q And you understood at that point that Mr. Feldman had gone to New Orleans to do an interview. Is that correct?

A That's correct.

Q Can you recall anything else about your conversation with Mr. Kellner on March 26?

A Well, when I finally reached him, which I guess was the 26th, he gave me a whole different perspective of the case--one that was different ~~and~~ than that reflected in the FBI memo. He indicated, as I recall, that the entire story was out and the wire services had it, and basically what you had was something being manipulated by a couple of reporters who were dealing with--in this case--Garcia in an attempt to mitigate an upcoming sentence that would be imposed on Garcia for his involvement in some gun charges of his own.

He expressed skepticism and indicated that there were assertions of all sorts of government misuse--well, CIA involvement in this transaction, government illegalities, and what have you.

Q Let me interrupt. Did you take any notes during that conversation?

A I'm not sure. I have scratch notes of conversations. I'm not sure that they're necessarily dated with that date.

MR. McGOUGH: Why don't we put those with--your notes in as Exhibit 3.

UNCLASSIFIED

Am I on the right track? Is that in fact your

UNCLASSIFIED

handwriting? It's a good start, because the way they come over from--

MR. RICHARD: Can I take the Fifth on that?

MR. McGOUGH: You're going to have to.

MR. RICHARD: That's my scribble.

MR. McGOUGH: Now, it's two pages. Our control number is J-5641 and J-5642, which we'll mark collectively as Exhibit 3.

[The document referred to was marked for identification as Richard Deposition Exhibit No. 3.]

MR. RICHARD: This is not the earliest--there should be an earlier page. This is--that's got to be the end of one of the later conversations.

MR. McGOUGH: Can you look at the second page? I'm not sure--I'm not positive that the two are linked in time.

MR. RICHARD: There's a third page which is--

MR. McGOUGH: So a third page is missing. All right, let's back up for a second here.

I think we're going to be on this topic for a little while more. This might be a good time to break for a half an hour or so for lunch before we turn to the notes. Because once we get into these, we're going to be at it a while, I think. Before plunging in, this might be a good time to get a break.

UNCLASSIFIED

I will attempt to find--I will just go to this

UNCLASSIFIED

portion of the file and attempt to find--it didn't turn up on our--read off the record.

[Recess]

BY MR. McGOUGH:

Q Why don't we go on the record and indicate that you've looked at Deposition Exhibit 3, which is two pages of handwritten notes.

I believe you indicated that you thought there was another page that's not here. I'd appreciate it if you'd tell us what you believe what was on that first page and then also go on to tell us what the two pages we do have are.

A As I recall, the first conversation I had with USA Kellner, he related to me the fact that the AP had a story based on Garcia's statement largely to the effect that Garcia had been set up to keep him from revealing the proposed action that had been reflected in the FBI memo. And Kellner described other portions of the story. He expressed skepticism about Garcia's credibility and the validity of the representations, if you will.

We proceeded to discuss what he was doing. I think at that point he had the assistant travelling to New Orleans to interview Terrell. There was a conversation--I'm not sure whether it was just devoted to the results of the New Orleans visit or whether it was combined with the results of the Costa Rican visit by the assistant and the FBI agent--but

UNCLASSIFIED

during that conversation he relayed to me the fact that Terrell had essentially--that his information was hearsay, that the individuals in Costa Rica were, again, walking away from the story.

And ~~I hear~~ here Leon's emphasis was that that was being subject to some manipulation by Garcia to secure some lenient treatment by the court and that it was being hyped up by a couple of reporters who were out to make a lot of hay from these allegations. In fact, I think he suggested that they might--they may have even ~~conspired~~ constructed the allegations or put the seeds in Garcia's mind, if you will.

The information reflected on the material you have essentially corresponds with what Leon Kellner was relaying it to me.

Q But not in a single telephone conversation?

A No. The notes that I have consist, I believe, of about three pages, and I am not sure--well, I am sure that they represent at least two conversations. Whether these two pages you have is one conversation--I suspect it is, because the last conversation I had with him on the telephone was his preliminary conclusion, which was the fact that he had thought he had at best a weak gun case.

And his--the gravamen or the thrust of the conversation was his lamenting the fact that it would be a case that he would not normally bring. And he was concerned because he would anticipate ~~it~~ them being vilified by the media

UNCLASSIFIED

for not bringing a case.

And we agreed that he would--when the investigation was concluded--that he would send up a prosecutive recommendation which we would review and either agree with or disagree with but that he was very much concerned about how the media would treat him if he failed to find a prosecutable case.

Q Can you put a time frame on that latter conversation? When is it that you're having this conversation with him about the prosecutable case?

A I can only--I really--logic would suggest that it's some time between June and October.

Q Was it after you had received--or main Justice had received a memorandum over Mr. Feldman's name laying out the circumstance of the case?

A I can't say with any certainty. It may have been prior to that, because there came a point that he had an interim memo which he was going to send up--which he did. And there was additional investigation that was required that he intended to undertake.

And he was lamenting the fact that the case did not look promising as a prosecutive vehicle, and the fact that he anticipated a lot of criticism from the media--from Congress--being directed at him for what appeared to be--what prosecutive judgment he would be rendering. And he was very

UNCLASSIFIED

concerned about it.

Q When, if you can recall, did you first become aware that there were allegations being made by some of the witnesses who had been interviewed of government involvement, be it CIA or NSC involvement? I note on one of your notes you have Hull CIA.

A I think this--I think he--if I'm not mistaken, right from the start there were these allegations. I think Kellner had indicated that this was part and parcel of what the media was asserting.

Q When you say that this was part and parcel, does that include the NSC-Oliver North allegations as well?

A I'm not sure whether they were specific in that regard. There was certainly wrong-doing by government officials. Whether it was NSC specifically--it was certainly CIA involvement, because CIA, as I recall, right from the start was certainly involved in this plot, if you will.

I can't answer your question precisely.

Q Do you recall any discussion or effort by main Justice to postpone a sentencing for Mr. Garcia?

A By main Justice--

Q Let me just give you a little bit of background. There was a pleading filed in March of 1986 by--over Mr. Feldman's signature to seek a postponement of an impending sentencing proceeding for Mr. Garcia. And one of the

UNCLASSIFIED

allegations in that is that the day before, a call had come in from main Justice asking for a postponement to explore further apparently the possibility that Mr. Garcia might cooperate.

A It may very well have come from me. I don't recall it. I do recall that the sentencing was postponed. What I thought--I don't recall specifically asking for the postponement, but I certainly--we wanted to explore Garcia's cooperation. He was the source of this information. So--

Q Is it possible--go on, I'm sorry.

A --I mean, I don't recall specifically asking, "Let's postpone the sentencing," but it would certainly--it would be a tactical move that I can see mysalf suggesting.

Q Would you have suggested it prior to March 26th or when you saw that buck slip?

A I would have to say no, only because I don't recall knowing about this until I got the material. And I called Kellner, so I would have to assume no.

But when was that, if I may ask? You said that there was a pleading filed.

MS. NAUGHTON: Mid-March.

MR. McGOUGH: Mid-March. March 19th, March 15th--something like that.

UNCLASSIFIED

MR. RICHARD: I knew that there was a postponement of this. Then I have to assume that Kellner told me as part of the briefing. He was briefing me. He was giving me the update of what was going on. So he was bringing me into the picture; I wasn't bringing him into the picture.

The fact that a postponement of sentencing occurred so as to first explore a proffer of cooperation would be to me a logical step to take. I don't--just the dates suggest that I didn't do it. But it would be a logical step. If someone said, "Should we?", I would say, "By all means."

BY MR. McGOUGH:

Q Was there anyone else in your section or under your supervision involved in this matter?

A Well, the Internal Security Section was getting reports all the time from the FBI and what have you. Whether they were in touch directly with Kellner, I can't say. I'm sure--I mean, if I recall correctly, the memo reflects somewhat daily contact with the Internal Security Section by the FBI on the matter. They were apprised of what was going on.

Q Did you delegate responsibility for the case to anyone in specific?

A When you say delegate--Internal Security was responsible for following the case. It's the Neutrality Act. They worked historically very close with the FBI. It's a close relationship.

Did I delegate specifically anything beyond that?

No.

EXAMINATION BY COUNSEL FOR THE HOUSE SELECT COMMITTEE

BY MS. NAUGHTON:

Q Would it have been unusual for anyone in the Internal Security Section to call the U.S. attorney as opposed to calling the assistant working on the case?

A To call the U.S. attorney?

Q Yes. In other words, to call Mr. Kellner as opposed to Mr. Feldman.

A In answer to your question, no, I don't think it would be unusual for, say, someone in the management staff to call the U.S. attorney. I'm not aware that anybody did make such a call. But in answer to your question, it wouldn't be unusual for someone in a senior position to call directly the U.S. attorney.

Q Well, as I recall, I think Mr. Marum--is that his name?

A Tom Marum.

Q Tom Marum?

A He's the deputy.

Q He was sort of coordinating this.

A He does most of the neutrality work at the Internal Security Section.

UNCLASSIFIED

Q Did he tell you that he had spoken to either Leon

Kellner or Jeff Feldman?

A No. I don't recall him ever mentioning any contact.

Backing up to complete the record, there was a meeting later in October in which Kellner was in Washington. I'm not sure whether Marum was there, but the FBI was there, Internal Security, maybe Tom Marum was there--among other things, to discuss the status of a case.

Again, I just don't have any recollection of this before the buck tag date. But I--like I say, if there's a question of a cooperating witness--should we postpone the sentencing until we have interviewed the witness, obviously I'd say do it.

EXAMINATION BY COUNSEL FOR THE SENATE SELECT COMMITTEE

BY MR. McGOUGH:

Q Let's look at the notes, if you could. I know it'll be a bit time-consuming, but given your handwriting, it would be helpful if you could just read the notes to us so that we have a clean record of what they say.

You're referring to the second page, now, of the exhibit. Do you think they're reversed in time?

A I do believe so. Well, not necessarily reversed in time as they are in order.

Q All right. So starting at the top of the second page of what has been marked as Exhibit 3.

A "Court probation.

"Garcia's wife.

"Allan Sam--lunatic--but used him to make"--well, again, these are incomplete sentences, and I apologize for it.

"12/85--conviction on gun charge.

"public defender tells AUSA that in February '85 Miami Garcia, Carr, Thomas, Hall or Hull, Jones, Carter, Carbo--meeting in Miami.

"Discussed blowing up three embassies, killing Tambs, and gun-running.

Okay--"We corroborate"--I don't know--"with their people in Miami.

"In 3/85--Thompson, Carr--weapons to Costa Rica for above operation. Carr and Thompson and two others arrested in Costa Rica.

"1/7/86--Garcia polygraphed.

"1/14--inconclusive on assassination--deceptive on Posey"--this again is Kellner relaying to me.

"January '86--FBI asked that Carr and Thompson be interviewed. Carr and Thompson deny participation. Admit, however, guns. Heard of plot in jail.

"Garcia, Jose Cotin--1/16/86--FBI interviews. Implicated in Zeal murder (provided murder weapon). Refers FBI to Terrell.

UNCLASSIFIED

"FBI interviews Terrell. Terrell confirms Garcia's story but"--well--"Terrell says it's all hearsay. 'Heard it around.' Terrell say story.

"Frank Castro representing Ochoa at meeting, who says to group would pay $1 million to kill Tambs. Believes that Tambs and CIA had killed Corea. Corea killed at CIA request.

"Terrell saying that CIA reps present at the meeting"--representatives of the CIA were present at the meeting. "Killing of Tambs, three embassies--U.S./Honduras and Costa Rica and Russian embassy and Costa Rica--making it all look like Sandinistas. Castro says Ochoa doesn't care who gets credit.

"Garcia--tentatively"--I assume scheduled--"tentatively on Monday"--crossed off--"Tuesday.

"Claiming that he be prosecuted because he wouldn't go along. Tony Avignon visits Carr and Thompson.

"Worked for assistant public defender in Miami. Tony visits Carr and Thompson. Tony Avignon says he also worked for '60 Minutes'.

"Public defender believes it's all a CIA plot--CBS has the story.

"Co-pilot--Vasquez--son of gun runner.

"Summary--has case on gun charges--possibly Neutrality ~~Cat~~ act violation.

UNCLASSIFIED

"Hull--CIA."

Like I said, scratch notes of my telephone conversation.

Q Would this all have been one telephone conversation?

A I would venture to say yes, which--although it's quite possible that it's not. And I say that because the second page, where it says, "Has case on gun charges," I specifically recall that conversation when he reached that tentative assessment. That was later on in the process.

The earlier notes seem to suggest an earlier period in time. So it is possible that this top page is in time subsequent to the second page.

Q There was mention of lie detector tests. Did you ever learn--or to your knowledge were the lie detector or the polygraph results ever submitted to Washington for re-interpretation or review--the Garcia polygraph material?

A Re-interpretation? There was an initial report that I have seen indicating that he had passed the polygraph. That was contained in a memo that I saw from Clark, who is the head of the Criminal Investigative Division, to--

MS. NAUGHTON: Excuse me--of the FBI.

MR. RICHARD: --of the FBI, I'm sorry--to either Buck Revel or Judge Webster. I don't recall.

There's a memo from Clark that pre-dates the memo that was attached to the memo which went to Jensen--or was

UNCLASSIFIED

addressed to Jensen. That memo characterized the results of a polygraph different, if I recall correctly, than how it was characterized in the memo to Jensen. I believe that--that can be changed just looking at the memos.

But I don't recall it being resubmitted subsequent to that point. Whether it had been done prior, I don't know.

But when you say--my understanding of the process is that the field ~~calligrapher~~ polygrapher--the individual out in the field--makes a tentative assessment and then sends the results to Washington, where they are--I don't want to say re-interpreted, but the final interpretation is made out of Washington. That's my understanding. Now, I may be wrong.

Q Do you understand--or do you have any understanding or knowledge as to how the results--the statement of the results changed between the Clark memo and the Revel memo?

A No.

Q Did you know whether it was a matter of Mr. Clark just having his facts wrong or someone else later looking at the results and saying, "No. He didn't pass. It's inconclusive"?

A I can't--I mean, I don't know. But I hope you appreciate--I don't credit much, in my experience, the results of polygraphs. So to me it's not a critical element whether someone says that the individual passed or didn't pass. So it wouldn't bug me whether it said he passed or he didn't. I mean, it just wouldn't be of major consideration--the results of polygraphs. That's my own view of the results.

Q Now, after your initial buck slip from Mr. Trott, did you have any further contact with Trott, Jensen, or the attorney general on this case that you can recall?

A I don't recall specifically discussing it with either--I certainly didn't discuss it with the attorney general. I have no recollection of discussing it with Jensen. I have no specific recollection of discussing it with Steve Trott, but I would have to say I had to have discussed it. I mean, just knowing my practice and what I would normally do.

But I have, in answer to your question, no specific recollection of doing so.

Q If you look at Exhibit 2, which is the actual buck slip--or page two of Exhibit 2, which is the buck slip--I think there's an indication on there--"See me"-- circled in the transmittal slip. Does that refresh your recollection?

A No, not really. I mean, I can't close my eyes and picture a discussion with Steve Trott, but I am sure that I would have. This is something that I would routinely have kept him apprised of.

There are so many things that I would and still--keep an assistant attorney general aware of. I am sure I did that.

UNCLASSIFIED

Q To the best of your knowledge, how many times did you discuss the case with Mr. Kellner?

A Probably I believe three times on the telephone. Probably.

And once in person, that one being in October when we had--he was participating in a broader session, if you will, as part of, I think, our efforts in October to try to get a better grasp of all of these cases. And after that session, which ended focusing on just one case--not this case but a different case--after that meeting broke, I think we began a discussion of the status of this case.

MR. McGOUGH: Let's have this marked as Exhibit 4. This appears to be a list of individuals who attended a meeting--the type of sheet you would pass around for a sign-up.

MR. RICHARD: Yes.

[The document referred to was marked for identification as Richard Deposition Exhibit No. 4.]

BY MR. McGOUGH:

Q Scanning down the list of people there, you'll note about midway or two thirds of the way down is Leon Kellner's name. Is this the meeting to which you were referring?

A There were several meetings convened by Bill Weld--like I say--across the board. This looks like a sign-in sheet for one of them. I say that because if you notice the

UNCLASSIFIED

participants include our Fraud Section, our Narcotics Section. There are a variety of cases.

It was after a session like this where we ended up essentially spending most of our time on the humanitarian aid case.

Q When you say "we," you mean you and Mr. Kellner?

A The group--the entire group. We constantly tended to get bogged down.

And after that meeting broke--and it was at the end of the day--I recall grabbing the people--grabbing is the wrong term--but suggesting, "Hey, look. Let's wait a few minutes and discuss this case"--however you want to caption it--the Posey case, the Costa case.

So of this group, the interested parties remained. I don't think you'll find--if my memory serves me correct--you won't find another sheet for that because it was a tag-on to a meeting like this.

Q Who were the interested parties that remained for that meeting?

A Myself, Leon Kellner, people from the Internal Security Section were there. Now, if it's a tag-on to this, I have to assume Tom Marum and Joe Tafe, the FBI--and I would assume that was Gail Burton. In this case, you had--let me see--George Van Balen. Al Seddon would be the logical one, I think, at that time, because he is the principle unit chief--

UNCLASSIFIED

or I think his title is over at the FBI on Neutrality Act issues.

So I suspect this type of complement, if you will.

Q You recall--I'm skipping a little in time--but do you recall receiving the memo under Mr. Feldman's name in June of 1986?

A That's correct.

Q And that memo at the end, I believe, concluded that it was premature to issue grand jury subpoenas. Up until that point, had you discussed with Mr. Kellner or anyone in the Southern District whether or not the matter was ready to be--that subpoenas should be issued in the case?

A No. I recall no discussion. In fact, I think if you look at the attached FBI memo, I think their suggestion was that it was at that time already in the grand jury. I made the mistake of following that suggestion.

Q By issuing the memo that was attached to the buck slip that came to you.

A Or the earlier one--the one--I'm not sure when I got the earlier one, but it was a day or two earlier in date. It was the Clark to either Revel or Webster.

There was a reference, I think, in just reviewing the material at some point, because this--I noticed that it represented that there was a grand jury either sitting or was about to sit.

UNCLASSIFIED

Q When you got the Feldman memo, if I can call it that--the memo that came out in June--at the end it said it was premature to go to a grand jury and listed some reasons. Did you find that surprising in light of the March memo from the FBI saying that a grand jury was ready to go?

A I didn't pick the connection up, and that connection I only made recently, because the issue of going to the grand jury or of not going to the grand jury, as far as I was concerned, was never an issue until allegations surfaced that somehow there was an attempt either to influence timing or what have you.

So it was never, to me, a critical question whether to go into a grand jury or not. It was a tactical judgment that I would routinely defer to a USA. If he wants--he thinks he needs to go into a grand jury--fine. If he thinks it's premature--fine.

Q But you don't recall discussing it with him up to that point.

A He may have said--at that point, no. In October when we met he was still saying, "Hey, it's just too early." Nobody at the October meeting was saying no, no, no. Get it to a grand jury.

UNCLASSIFIED

Again, it was a tactical judgment.

EXAMINATION BY COUNSEL FOR THE HOUSE SELECT COMMITTEE

BY MS. NAUGHTON:

Q Could I clarify that?

In October, when he was saying it's still too early to go to grand jury--when someone says go to grand jury, they can either mean indictment or subpoenas.

A No, no. He was saying--at least I interpreted it--he was certainly not saying, "I'm going to return an indictment," or "It's too early to return an indictment." I didn't interpret that at all.

What I interpreted it as was bringing substantive witnesses before a grand jury for an interrogation. I'm not even talking about using grand jury process. I'm talking about bringing witness--fact witnesses in for questioning.

Q What about grand jury subpoenas? Would you ever discuss with Mr. Kellner the timing or wisdom of issuing subpoenas for things like bank records and so forth?

A No. Again, he may have mentioned that he was going to do it this way or that way.

I mean, again, if--I didn't care one way or the other whether he used subpoenas or didn't. It was not an event~~ive~~ of moment in my thinking. If he thought it was right to use a grand jury subpoena, that's fine with me. If he thought it was premature or tactically unwise, that was fine with me as well.

EXAMINATION BY COUNSEL FOR THE SENATE SELECT

COMMITTEE

BY MR. McGOUGH:

Q After getting the memorandum in June, do you recall following up on the matter at all or having any other contact with the case until the October meeting you described?

A Well, again, I can't put the timing. There was a point in time when I spoke to Kellner, and he gave me this preliminary assessment. I can't put it before or after the Feldman memo.

I have no specific recollection, but during this period--there are highs and lows with Mr. Kellner in my dealings with him, meaning that he is very much involved in narcotics enforcement in the Caribbean and South America. This is a major priority for me, dealing with extradition treaties, mutual legal assistance, the use of grand jury subpoenas to acquire records abroad ~~or broaden~~ the--doctrine developed out of his district. Those are of critical importance to me.

MR

MR There was a point in time in this summer ~~here~~ where I recall a trip to Colombia--or from Colombia--where he asked me to stop by and talk to his staff about the situation regarding Ochoa in particular. These are prosecutors who are moving very aggressively against these international traffickers at great personal risk. And they took issue with some of the approaches we were trying to take with the Colombian

UNCLASSIFIED

government.

MR

Kellner asked me to meet with them and explain the rationale that we were employing ~~and~~ which I did en route either to Bogota or from Bogota. Could I have discussed it with him at that point? Conceivably yes.

I would just stress this wasn't--at least in my mind--a big-deal case. It looked like a case where you had questionable witnesses, highly suspect motivations--something that obviously had to be investigated that was being investigated. I didn't detect any unusual interest in my superiors on the case, and to me it was largely being handled in a routine, expeditious fashion.

It just wasn't something that I would remember or feel that I was compelled to make detailed calendar notes.

Q Did Mr. Kellner come to you or forward to you or give to you affidavits via Mr. Hull that made allegations about either Senator Kerry or members of his staff?

A Yes. He called me up--I'm glad you reminded me of it. He did call me up, and he said that he just received this. Apparently this package had been sent to selected members of the Congress as well to the U.S. attorney.

He said that it reflected all sorts of questionable activities by the senator--let me retract--not by the senator but by the senator's staff. And I think, if I'm not mistaken, reporters themselves--attempts to influence testimony and not

UNCLASSIFIED

suborn perjury and the like.

I think there probably could be a package available to you of what the allegations were.

I said, "Send it up, we'll take a look at it." He did.

MR

I forwarded it to Steve Trott with a note on how it was to be handled--I think I gave him a couple of options along with my recommendation. To wit, either refer to the Public Integrity Section of our division, which has responsibility for questionable activities by government officials, or before deciding that, go interview Hull or try to get an interview with him and see whether he's going to be willing to be interviewed.

Steve Trott, I believe, sent it to Jack Keeney for Keeney's comments, and I believe ultimately it was decided let's ask the FBI to go and see whether Mr. Hull is willing to submit to interview now about this.

And we sent it to the FBI, and I'm not sure whether the FBI made the attempt and if so, the results of it. I've never seen a report on it.

Q Did you ever get back to Mr. Kellner on that at all?

A I have to assume--I don't recall specifically telling him what we were doing.

UNCLASSIFIED

Q Do you recall whether he sent them to you or whether he delivered them in person?

A I think he sent them.

Q Do you recall him coming to your office--or being in your office and discussing the affidavits with you?

A He may have. I mean, it's not unusual for--Mr. Kellner was in Washington frequently--I mean, he's in touch with a variety of officials--to stop by and say hello. Whether he did it--again, it's quite possible.

EXAMINATION BY COUNSEL FOR THE HOUSE SELECT COMMITTEE

BY MS. NAUGHTON:

Q What was his demeanor when he was talking to you about this? In other words, was he very upset about the political ramifications or this, or was he--

A The whole--

Q The affidavits and the problems with Senator Kerry's staff.

A Well, he was--I would describe him as feeling that it vindicated his assessment that this was part of a situation being manipulated by political forces where everybody had their own agenda--in other words, was particulary pure from a prosecutorial point of view. Garcia had his agenda--trying to get out from under a situation, reporters trying to come up with interesting stories, and Kerry's staff attempting to discredit the actions of--I don't know who--the CIA, the contras, or what.

UNCLASSIFIED

So I think this was the further vindication of an approach that Kellner was articulating beginning from day one--that he had skepticism about this whole situation.

EXAMINATION BY COUNSEL FOR THE SENATE SELECT COMMITTEE

BY MR. McGOUGH:

Q Do you recall ever having any contact with anyone other than Mr. Kellner in his office about this investigation? Did you ever speak to Mr. Feldman?

A No, I don't believe so. I can't identify to you the prosecutors I met with during that trip. I don't recall speaking to them about this case. But it is conceivable that one of them was Mr. Feldman. I mean, there were prosecutors focusing--

Q Well, all I'm really asking you is whether you recall discussing this case with anyone in that office other than Mr. Kellner, like Mr. Feldman, Mr. Scharf--do you know Larry Scharf?

A I don't know them. I may have met him, but I--

Q Mr. Gregory?

A I know Dick Gregory, but I don't recall any discussion with him.

Q Miss Barnett?

UNCLASSIFIED

A I know of her. I think she used to work for the Criminal Division. But I know who she is. The substance--I

UNCLASSIFIED

don't think--I think she's an administrative assistant or something like that. I wouldn't discuss substance with her in any event.

Q How about David Liewant, another assistant down there?

A No.

Q There was a point in time when, in response to press inquiries, main Justice issued a statement that there was in fact no investigation being conducted in this matter or that something--that it hadn't risen to the level of an investigation. This would have been, I believe, in about May.

MS. NAUGHTON: I was thinking April.

MR. McGOUGH: April or May of '86--out of the Public Information Office. Do you recall receiving any inquiries like that or--just for your point of reference--the people in the Southern District were quite upset when that statement was issued, because it seemed to fuel the speculation that they really weren't doing much.

MR. RICHARD: No, no--in answer to your question, I have heard, as a result of your activities, this assertion. I certainly didn't pick it up at the time, and I'm not sure on what it was based. I can't answer.

I must confess, though, as you've seen, this whole matter has had many names now. I don't know whether it's just a breakdown in communication or what.

UNCLASSIFIED

BY MR. McGOUGH:

Q Are you--what, if anything, do you know about the attorney general's contact with the case?

A Nothing. I have never spoken with him. I have no idea other than confused media accounts of purported conversations between him and Leon Kellner. But I have no first-hand information.

Q To your knowledge, did anyone in the Department of Justice, or for that matter anywhere in the federal government, indicate to Mr. Feldman--Mr. Kellner in substance that he should slow his investigation or handle it in any way other than the way in which he might normally handle an investigation of that kind?

A I have never told him--I never told him to slow the investigation. When any issues like that come up in any case, that's a significant move. And it's something I think I would remember.

I am sure, though, I have discussed the statutes with him--possible applicable statutes. And in that regard, I have no recollection what I said to Kellner regarding the statutes. But I know normally when I talk to a USA about the neutrality laws and their applicability, I always alert him that they are tricky statutes and statutes that require a certain amount of research into them.

Now, I can only speculate how I may have phrased it--what I may have said to Kellner. But I have no recollection of even discussing it with him--neutrality laws and what have you.

Q So that answer is no, you did not indicate to him that he should slow down the investigation.

A Slow down the investigation? No.

Q To your knowledge, did anyone else in the Department of Justice or anyone else in the federal government indicate to him that he should slow down the investigation?

A Not that I'm aware.

Q Did he ever discuss any such requests with you?

A Let me say--well, I was going to comment that I hadn't appreciated that there was any question about the ~~anonymity~~ unanimity of thinking in the Southern District of Florida until this whole issue arose in late '86--questions of Washington suggesting going slow and what have you in any regard. You know--the whole what-are-you-talking-about type of response on my part.

Q Did you ever discuss with Mr. Kellner the implications of the case in regard to any pending votes in the United States Congress? Did you ever discuss votes about contra aid with Mr. Kellner?

A There was--quite candidly, throughout this period, there was always controversy on one aspect or another of the contra matter.

And really, I think again, from my perspective, in dealing with something with--the administration issuing all sorts of statements saying, "Look. The CIA is not doing this. The NSC is not doing this. We were fighting by the Boland Amendment. We're doing this. We're acting in good faith in compliance with all laws." All this public dialogue going on.

As far as I'm concerned, we do our investigations, we take the investigation where the facts take us, and we make the judgment, and then we take the heat when it's not a particularly popular judgment. I mean, that's the approach.

MR. McGOUGH: That's going to conclude my questions on this aspect of it.

Maybe Pam--I don't know if you have some follow-ups on some of the things I didn't cover.

MS. NAUGHTON: Yes, I do.

MR. McGOUGH: But go ahead.

MS. NAUGHTON: I have a couple questions.

EXAMINATION BY COUNSEL FOR THE HOUSE SELECT COMMITTEE

BY MS. NAUGHTON:

UNCLASSIFIED

Q The memo that we've referred to as the Feldman memo that came to you in June of '86--was that generated for you? In other words, did you request it or expect it, or did that sort of come out of the blue?

A No. It was in the course of a conversation that I had requested Leon to keep my apprised--Leon Kellner to keep me apprised of the status and developments.

And it was during the conversation--one of those status discussions--that he said he had just received or he has a memo giving a status report, which he would show me. Which he did.

He also showed me a copy of a complaint filed by--a civil complaint filed by the reporters, I believe, that were central to this case.

But the memo was not prepared at my request, in answer to your question.

Q Were you ever apprised by the FBI or anybody else regarding any connection by Glenn Robinette or Secord in that lawsuit or in this investigation?

A I don't recall having any discussions with the FBI regarding this particular case.

I don't remember any connection with Secord. I remember just glancing over the complaint, and I think it was kind of bizarre, but I don't recall whether there were specific allegations involving Secord. It was really lengthy, I guess you know.

Q As long we're on Secord, you described some of these meetings in an attempt to sort of gather up all the contra-related cases. On October 17, the House Judiciary

UNCLASSIFIED

Committee--a majority of the majority members sent an inquiry for independent counsel.

I realize that's not your shop, but were you aware of that request, and were you aware of any results that the Public Integrity Section came to regarding Secord's involvement with the contra re-supply operation?

A The answer to the second part of your question was no--I couldn't tell you what they concluded.

I have to assume I was aware that there was another request and therefore appointment of independent counsel. But in routine fashion, I wouldn't get involved in resolving those independent counsel issues.

Q Well, I was just wondering if that was, for instance, a subject of the October meeting with Mr. Kellner.

A No. In fact, I don't even think--I think there was--wait, wait, wait--one moment. I don't see anybody here even from our Public Integrity Section and certainly not Jack Keeney. And I have no recollection of any independent counsel issues coming up at these meetings.

Q Do you--were you aware that the assistant U.S. attorney and the FBI were going to down to Costa Rica the first week in April?

UNCLASSIFIED

A I don't know whether I was aware in advance. I knew that they were there at a particular point in time.

Q Do you happen to know how many trips they took to

Costa Rica?

A I thought one, but they may have taken more.

Q Did you ever speak to anybody at the State Department or any other agency regarding this case?

A I don't recall having any conversations with any other agencies regarding this whole--I'm going through the agencies. None comes to mind.

Q Were there ever any inquiries made, to your knowledge, of the CIA regarding Mr. Hull?

A Inquiries by us?

Q Or you or--I understand--

A No, no, no. From us to the CIA?

Q Yeah.

A My understanding was that the CIA was denying any relationship. I think that was from day one, as reflected in FBI memos--that they were denying it [redacted]. But there was no ongoing relationship.

Q When you spoke to Mr. Kellner the times that you did speak to him, did he indicate to you that he was speaking to anybody else in the Department of Justice?

A Kellner speaks to a lot of people at the department. I don't mean facetiously.

Q Well, I mean on this particular case.

A No, he never indicated--

Q He never referred to conversations with Mr. Jensen to you or Mr. Trott.

A Concerning this case, no. But Mr. Kellner--he has many problems which he deals with at that level, and he is in touch with the Associate's Office, the Deputy's Office fairly regularly.

But I have no knowledge on this.

Q But you never heard from either Kellner or from any of those other people that they had been in touch on this case?

A No.

Q Have you spoken to either the attorney general, Judge Jensen, Mr. Trott, or Mr. Weld about this case--let's say--since November of '86?

A Spoken in substance? No.

Let me go into the particulars. Certainly not the attorney general. Jensen I haven't spoken to since he left the department. Trott--no. I have spoken to both Weld and Trott procedurally. I urged them to send this case over to the independent counsel.

Those kinds of discussions--nothing about issues of "Did you talk to Kellner or did you say anything?" I have tried to avoid discussing it.

Now, I will add, if I may--I had a brief conversation only recently with Kellner about the case only after believing that your inquiries were over, because I had--well, I had been in touch with him on other matters. I avoided raising this case. And it was really in the context of again the accusations that he has had to deal with about being influenced improperly and so forth. And he was a little miffed at all of this.

But it's a long way around. I hope I have answered your question.

Q Did he tell you anything new that he had not told you previously?

A No. Well, he just--you know, this is crazy. He wasn't influence in any way and that he only just said, "It's just crazy."

I mean, I really didn't go into details. I don't remember this conversation--well, what did you say, what did I say--it's not that kind of a conversation. It was just--you know--here we are.

Q It's my understanding--please correct me if I'm wrong--that Mr. Kellner did not want the case sent to the independent counsel, but as a point of fact the independent counsel reviewed it and decided not to take it. Is that correct?

A I have no knowledge about his position. I know we--I certainly urged it.

Q That the independent counsel take the case?

A Yes. For--well--I was going to say for the same reasons I urged independent counsel being appointed for the whole thing.

I don't know Mr. Kellner's position on whether to send it to the independent counsel or not.

Q I gather that until November 1986 you were not aware of Oliver North's alleged involvement with this case or Mr. Hull.

A When you say aware of it--I knew of allegations. I mean, the allegations of North being involved were public--yes on that regard.

Q Do you remember North's name coming up in connection with this case?

A Yes. It was one of those--there was a long list of names that were involved, if you will. And it was attributed, if I recall correctly, to newspaper reports of his involvement in contra activities.

Q Did Kellner specifically mention North or anyone else at the NSC regarding this case?

A I have no recollection of it, except I would refer you to the notes. Because I was scribbling down names, if you will. And if he did, I assume it's on that first page unless it's on the exhibit that you now have.

Q If you could give us then your arguments for wanting this case to be taken or assigned to the independent counsel in December of '86.

A Well, I had--by that time there were the allegations of Washington interference, abuse, improper dealings. I knew Mr. Kellner's view of the prospects of making the case, and I wasn't aware that the evidence had improved in any marked way since then.

And in terms of the credibility of the department, I thought it was important, given the existence of the independent counsel, that the ultimate judgment--prosecutorial judgment--be made by a component that is above suspicion in the context of this whole matter.

So anything that I perceived as being controversial and arguably falling within the independent counsel's jurisdiction, I had been urging go over there. Because--I mean, I viewed this ~~attention~~ structure as being designed to ensure public confidence in the prosecutorial judgment being rendered on a criminal matter. And that's my analysis.

Q Was my statement correct earlier that the independent counsel then refused to take the case on?

A That's my understanding. That's correct. That's my understanding.

UNCLASSIFIED

Q Thank you. I don't have any other questions.

MR. McGOUGH: Let's take a look at a couple of other exhibits and just get a fix on what they may be. The

UNCLASSIFIED

first is Exhibit 5. Take a look at that, if you would, Mr. Richard. Tell me what that is. Is it your handwriting, first of all?

MR. RICHARD: I'd plead guilty to that.

[The document referred to was marked for identification as Richard Deposition Exhibit No. 5.]

EXAMINATION BY COUNSEL FOR THE SENATE SELECT COMMITTEE

BY MR. McGOUGH:

Q Can you give me some indication of what it refers to?

A Again, this is scratch notes prepared, I believe, following a conversation I had with the U.S. attorney in Oklahoma.

Q Is that Bill Price?

A Bill Price. The date of December 11 suggests that that's when I talked to him. I think he indicated that Bill Hendricks of our Public Integrity Section, who was then, I believe, shepherding a lot of the Iran matters for the division, had been in touch with him previously.

And this is the gist of the conversation I had with Mr. Price and his briefing of me regarding an individual who had been arrested and his possible involvement in some CIA/contra-related activities.

UNCLASSIFIED

Q Now, about a third of the way down--the individual's name was Weekly? Is that--am I reading that correctly? W-E-E-K-L-Y?

A Yes.

Q About a third of the way down it says--if I'm reading correctly--"Weekly posts on tape that he's tied into CIA and Hasenfus. Said he reports to people reporting to Bush." What does that mean?

A I don't know what the post means, but apparently there was a tape recording. Let me, if I may, just take a second to read through the entire page.

Q Sure.

A Okay. This is a matter which had just arisen in the U.S. Attorneys Office. I was getting briefed. I think ultimately we referred it to the independent counsel, if I'm not mistaken. And I don't know what happened to it.

It's an individual who has been arrested and is asserting--or there is a suggestion of a relationship to the CIA and Hasenfus and the exportation of explosives to the--countries.

Q And he's alleging or indicating to someone that he's connected with the CIA and that he is reporting to people who report to Bush?

A That's what he's asserting.

UNCLASSIFIED

Q What is the current status, if you know?

A I cannot--as far as I recall, it was referred to the--

Q Referred to the IC.

A --to the IC, and I just don't know the status.

MR. McGOUGH: Let's take a look at Deposition Exhibit 6. If the court reporter--are you collecting the exhibits? We'll give them all to you.

[The document referred to was marked for identification as Richard Deposition Exhibit No. 6.]

BY MR. McGOUGH:

Q Now, I surmise that this is not your handwriting on Deposition Exhibit 6. Do you recognize whose handwriting it is?

A No.

Q Were you present at a briefing on or about 11/24/86 at which the Kellner situation was discussed?

A Who was present?

Q Were you present? This would have been Monday of the--the day before the president's press conference.

A I don't recall any such meeting.

Q Let me ask you what may be kind of a general conclusory question on this area, and that is to your knowledge or in your opinion, was there anything about Mr. Kellner's or Mr. Feldman's handling of the Garcia-Costa investigation that you felt or feel was inappropriate?

A No. I've dealt with Leon Kellner now for five,

UNCLASSIFIED

six, seven, eight years. I have the highest regard for him, and I think he's a fine prosecutor. I have no reason at all to question his handling of this case.

Q Let's turn to the Southern Air Transport matter or investigation.

Shortly after the Hasenfus C-123 crash, did you learn of an investigation by the FBI into the ownership and operation of the plane that had gone down?

A Do you want me to do a narrative or just--

Q Yeah. I mean, is that a fair starting place, when Hasenfus--as the place for your first contact with that investigation?

A Yes. Do you want me to just give you a narrative?

Q Give me the narrative.

A Okay. The plane goes down on approximately October 8th or so--or 7th, maybe--of '86. And then there are press reports of the department running an investigation into the matter.

Bill Weld asked me--Bill Weld, the assistant attorney general--asked me what I knew about it and at that time I didn't know anything about the investigation.

I called Tom Marum, who was familiar with the press reports of the investigation, but he was not familiar with it beyond that.

MK

And again, it is the practice that a Neutrality Act

UNCLASSIFIED

violation is generally run by the Internal Security Section before even a preliminary is done, just for concurrence of the Internal Security Section that it's warranted. But no such contacts had been made, according to Tom.

I called Leon Kellner. I asked him what's going on. He was very--angry may be too strong, but annoyed--because he was getting hit with all sorts of press inquiries, and he knew nothing about the pending investigation.

Q Can you give me a time frame of your conversation with Mr. Kellner?

A It would probably be the 8th or the 9th of October.

And as I said, he didn't know who authorized it, but apparently there was FBI work at the Miami field office level.

What next occurred at my request--I had to ask Tom to find out what's going on, and Tom Marum sent over to me an FBI teletype from the Miami office to headquarters--a copy of that. And attached to it, he put a buck tag, and the buck tag, if I recall correctly, indicated that Buck Revel at the FBI--I forget the phraseology--was reluctant to or had ordered that no further investigation be done because he--Revel--apparently believed that it was a CIA operation.

Q Now, what--this is a buck tag from?

A Tom to me.

Q Handwritten?

UNCLASSIFIED

A Maybe typed. It's just a--it's a transmittal sheet, and it just--

Q Reflecting a conversation with Buck Revel?

A No, I don't believe it reflects the source of that information other than the bureau. Tom Marum, I doubt very much, would ~~be~~ have talked with Buck Revel.

So presumably it would be Al Seddon or somebody else at the FBI that Tom is getting this information from.

That memo comes over. I brief Weld on this.

Q Can you put a time frame on that?

A Again, all this is, I think, the same day.

Q October 8th or 9th?

A ~~Yeah.~~ Yes.

Now, Tom had asked the bureau--the FBI--to question the CIA about--you know--is there a relationship to the operation, if you will, of the Hasenfus matter? What is the relationship, if anything? That's where the matter stood on that day, as I recall.

The next day, which I guess would be the 10th, I get a call from Buck Revel asking me to come over to discuss the matter. I mentioned that to Weld, who had asked me to find out what's going on and keep him apprised of what's occurring.

I went over to Buck Revel. I met in his office with him. And I believe he--well, another agent--I believe his last name is Miller--Dennis Miller or something like that, but he's, I think, assigned to their general counsel-~~type~~ office.

And Revel said--he explained, as I recall, that the field office had gone off without headquarters' authorization, which is contrary to--apparently to their procedure. And they had begun a preliminary inquiry. And that's how the matter got started.

And he began asking where I thought this matter should go. I was skeptical about our jurisdiction. As I appreciated the facts and from media and the letterhead memo, we had a plane that had last been in the United States, I think, three or four weeks before. It had gone down in a foreign jurisdiction apparently loaded with arms, had an American national--an American national was on board. But that was it.

And I questioned--well, what is the jurisdictional base? I mean, are we to assume that the arms that Hasenfus was throwing out of the plane necessarily came from the United States? And I saw this as a serious question, because I couldn't believe the plane would take off and then sit around for four weeks before discharging its cargo over wherever it was--Nicaragua.

So I approached the conversation of where do we go from here with a certain amount of skepticism whether we had sufficient bases for even a preliminary inquiry.

We began discussing what could be done, and he says--and the discussion led me to believe that we could resolve certain things. We could take a look at the airline, the manifest, the last time it was there, and something focusing on the airline~~s~~.

And we had ultimately--by the end of the conversation, which lasted 20 or 30 minutes--we had--you know--let's do some preliminary work to see whether we have a jurisdictional basis for a full-blown inquiry.

I vaguely recall Buck mentioning that he had been contacted by North, who was making an inquiry as to what was going on. I don't know whether it was North or the NSC, but I have in the back of my mind a comment that he had made during the course of the conversation that he was--he had received in an inquiry on that.

Q This was in the Cost conversation on October 10?

A That's correct.

And that's where we were at that time. I came back, I briefed Bill Weld and Tom Marum, if I recall correctly. I don't recall mentioning it to Leon Kellner, although logic would suggest that I would have also called Kellner, but I have no specific recollection of doing that.

And that's where the matter stood until November.

Q Let me back up for a moment here before we go to

November.

Can you be any more specific about what Mr. Revel told you Oliver North had told him?

A I'm not sure it was as specific as Oliver North or else something more general like the NSC--just that they were asking again the same type of question that Bill Weld was asking--what's going on? And that's the extent of my recollection.

Q There was an inquiry from North--or the NSC, rather--the provision of information or request to do something or not to do something.

A That's correct. I have this generalized recollection that this was a prefatory statement that Buck Revel made.

Q All right. So we go to the next step.

A The next--and here I may have my dates wrong. I don't have any dates to offer.

But there came a point in time when I ~~got~~ received a call from defense counsel for Hasenfus--Spaulding firm in Atlanta. They were asking for some assistance from the Criminal Division with respect to legal research and precedent and opposition on a variety of legal issues.

And I called the State Department--Mike Cosack, I think, in particular. He was with the Legal Advisor's Office. I basically said, "Are you working with them? What is our relationship to defense counsel?"

And he said, "Well, Hasenfus is a private citizen. He's not a government employee, and we should treat counsel as we would in any situation where an American national abroad gets into trouble and hires defense counsel to represent him in a foreign country," and basically that there is no governmental relationship to Hasenfus.

And it was on that basis that we dealt with Hasenfus' attorneys. We gave them good public record information, but nothing beyond that in terms of assistance and what have you.

Now, I'm having difficulty pinpointing when that defense counsel issue occurred, but the next time ~~even~~ that I'm aware of anything occurring on this matter is in November, when John Martin, the head of the Internal Security Section, sent a memo to Weld which, in the paper process, has to cross my desk, attaching to John's memo a copy of a note from Judge Webster to Floyd Clark, a memo reflecting a request from, I think, the attorney general, requesting a delay of the inquiry for ten days because of some pending potential impact on hostage negotiations or something like that.

That was the first I was aware ~~of~~ that there was a delay or that there was any request for a delay. I was not familiar with this request. I showed it to Jack Keeney because it concerned me no end that we were in the midst of a request for a delay in a criminal investigation for reasons that were not particularly clear to me. There was just a lot of--this was a point in time where a lot of what is now the Iran matter was becoming public, and it's just very confused. And I was distressed to see this kind of memo.

mK I brought it into Mr. Weld. He shared, I think, my concern and suggested I raise it with Steve Trott. John's memo--John Martin's memo--had indicated that we, because the initial request was only for a ten-day delay and that ten days had long expired, that he--John--unless he heard to the contrary would assume that it had elapsed and a request for delay was no longer operative.

Q So by the time you saw it, the ten days had already expired.

A Yes. I can't--let me see if I have a date. Well, yes--Judge Webster's memo apparently was dated October 31, and this is something hitting my desk on the 12th of November.

Q And up until that point you had not been aware that there was a request for a hold-up in the investigation?

A That's correct.

Coincidentally, John Martin and I were scheduled to meet with Steve Trott that same day on, I think, the Walker case--spy case. And Bill, aware of this, suggested that we raise it with Steve at that time--Steve Trott--at that time.

Q Was Mr. Weld aware of the ten-day delay?

A He did not indicate any foreknowledge of that

UNCLASSIFIED

delay. He appeared as surprised as I was.

At the meeting later that day with Steve Trott, I took the occasion to raise it. I showed him John Martin's memo and Judge Webster's memo.

My recollection is he tried to reach the director to find out whether--I'm sorry--to discuss the status and was not successful. And he said he would get back to us.

Q Did Mr. Trott appear to have any prior knowledge of the ten-day delay?

A Yes.

EXAMINATION BY COUNSEL FOR THE HOUSE SELECT COMMITTEE

BY MS. NAUGHTON:

Q Did he explain to you what the purpose of the delay was?

A I don't believe so. Other than that it was related to our attempts to secure the release of the hostages.

Quite candidly, the memo--Webster's memo to Clark--reflects hostages. But I must confess that in my own mind I had thought they were talking about a trade for Hasenfus, because at or about the same time there were public reports of Judge Bell, who was representing Hasenfus in Nicaragua, talking about trades with the Nicaraguans. But I had this notion of this connection, if you will, to the Hasenfus case.

At any rate, Steve Trott I do not recall going into

UNCLASSIFIED

any of the bases for the request.

Q I guess I'm not clear then, because you said earlier that you were a bit concerned because all of the public hoopla over the Iranian arms deal had of course come to light in the past week or so. Did you not then connect Webster's memo?

A The whole question of--I'm not sure how I can answer. I recall in my own mind speculating that it was a Hasenfus trade. Whether the--how that came up in the context of what was going on publicly at that time, I don't recall. I remember I was speculating that it was a Hasenfus trade.

I just--a request for delaying an investigation for whatever reason is a serious question. Now, it's done. There are legitimate enforcement reasons for doing it. But in this context at this time, it just looked like a bad--

Q When did you first make the connection, then, between the Webster memo in reference to hostages and what was going on in Iran?

A I'm not sure. I would have to say after I learned of the nature of it, I'm not sure that I connected it with the hostages in Iran.

Q In other words, Trott did not tell you that.

A I don't believe he did.

EXAMINATION BY COUNSEL FOR THE SENATE SELECT COMMITTEE

UNCLASSIFIED

BY MR. McGOUGH:

Q In your conversation with Mr. Trott, he indicated that he would check with Webster.

A That's correct. He tried to place a call while we were there. Judge Webster was not available.

Q The memo from--that Mr. Martin forwarded to you--reflected that Attorney General Meese had initially requested the delay from Director Webster, did it not?

A I don't recall--it's reflected in the memo. I'm not sure whether it reflects that Steve Trott had asked Judge Webster for the delay or the attorney general had asked for it. I just don't recall the particular--

Q I guess my question is why would either Mr.--if it were Mr. Trott who requested the delay initially, why would he be checking with Judge Webster to see if it was okay to lift the delay?

A No. But the delay had already been lifted. The ten days had expired.

The ten days had expired already by the time we were talking with Steve Trott, and what I assumed was that the call to Webster was designed to see had ~~how~~ we resumed it--had ~~how~~ we resumed the inquiry.

Q Was there any mention of the attorney general in that conversation?

UNCLASSIFIED

A Oh, I believe Steve Trott had indicated that he had

UNCLASSIFIED

requested the delay at the behest of the attorney general.

Q Was there any indication by Mr. Trott that he would check with the attorney general to see if it was all right to lift the delay?

A No, that's not my recollection. My recollection is only to check with Judge Webster to see whether the delay had been lifted.

Q What happened next?

A I think, by and large, everybody knows of the events dealing with the Hasenfus matter that I'm aware of.

Q In your discussion with Mr. Trott, did Oliver North's name come up in any way?

A I don't recall that.

Q How about the National Security Council as a whole?

A I don't know whether it was at that meeting or in a subsequent conversation with Mr. Trott where I was led to believe that all of this came at the behest of the National Security Council. I don't believe that that was discussed on the occasion of the meeting with John Martin and Mr. Trott.

Q Was there any discussion about why a delay was necessary in the first place?

A No. No substantive discussion that I recall.

MR. McGOUGH: That's all I have.

EXAMINATION BY COUNSEL FOR THE HOUSE SELECT COMMITTEE

UNCLASSIFIED

BY MS. NAUGHTON:

Q Was that--was the Hasenfus case discussed at that October meeting--that big meeting that Weld called regarding the contra--

A There were two meetings that Weld had called. Both of them got bogged down, I think, on both occasions on the humanitarian case, if I'm not mistaken.

Q You don't recall any substantive discussion.

A No.

Q Were you aware of a parallel Customs investigation of SAT?

A No, I wasn't until public revelations that apparently there had been a parallel request made of Customs.

Q So the FBI--Revel--did not indicate to you that he knew of a Customs investigation.

A I don't recall. He may have indicated that Customs was doing their own investigation, or--I cannot say--he may have mentioned it.

Q Did Trott mention it?

A No.

Q Do you know--as a matter of course, before a Customs agent in the field can initiate an investigation--my understanding is they focused on the plane as opposed to the cargo. Would they also have checked with main Justice?

A They don't need our authority to investigate. The

UNCLASSIFIED

predicate, if you will, for the FBI, was a possible neutrality violation. The predicate for a Customs investigation would be illegal exportation of equipment.

Again, it's one of those parallel overlapping jurisdiction.

Q Did you during the course of this--now, this is, let's say, from October 6 until November 20 or so--speak to anybody at Customs, specifically Rafe Lopez or--

A Did I speak to him?

Q --or anybody about their investigation?

A No. I did not. I know these individuals, obviously.

MS. NAUGHTON: That's all I have.

EXAMINATION BY COUNSEL FOR THE SENATE SELECT COMMITTEE

BY MR. McGOUGH:

Q Let's turn to [redacted] When did you first become aware of the [redacted] prosecution?

A Probably when he was in [redacted]-probably went back to '85.

Q You were aware--you were tracking the--you weren't tracking--but you were aware of the prosecution from its inception. Is that fair to say?

A No. My interest was in connection with the operation of the Office of International Affairs. I forget the sequence, but he had fled, and he was, I think, in [redacted] And we were making some efforts to extradite or persuade the [redacted] to expel him. And it was in that connection, I believe, I first had contact with the case.

Q Did there come a time when someone initiated or-- when there were discussions about giving [redacted] some consideration on his sentence?

A Yes.

Q Can you tell me about that?

EXAMINATION BY COUNSEL FOR THE HOUSE SELECT COMMITTEE

BY MS. NAUGHTON:

Q First of all, can we ask what he was indicted for and convicted?

A He was indicted for multiple counts of conspiring

mk

to/[illegible] engaging in efforts to assassinate [redacted] So I think he was charged with murder for hire and related types of offenses. He ultimately plead to two counts of murder for hire.

Q What was his maximum exposure?

A To what he plead to?

Q Yeah.

A Ten years.

Q And this was prosecuted again, I gather, out of the [redacted]

UNCLASSIFIED

A That's correct.

He was charged with others who were also charged, I believe, with various narcotics offenses. I don't believe [redacted] was specifically charged with the narcotics offenses.

EXAMINATION BY COUNSEL FOR THE SENATE SELECT COMMITTEE

BY MR. McGOUGH:

Q In response to my earlier question, you indicated that there were in fact discussions of giving [redacted] [redacted] some consideration. Can you tell me how those were initiated?

A Well, I can only speak for myself, and I say that because there were significant efforts made by persons with the Department of Defense as well as those assigned to the State Department who tried to secure preferential treatment for this defendant. Those approaches were, in my understanding, were made directly to the U.S. Attorneys Office way before we in Washington really became aware--at least to my knowledge--of what was going on.

I think I first learned of this aspect of the matter when Jim Michel of the State Department, who is Elliott Abrams'--one of Elliott Abrams' deputies, and I had a discussion. I may have my timing wrong. I may have first discussed it with Mike Cosack at the Legal Advisor's Office

UNCLASSIFIED

But at any rate, it was a dialogue that began between myself, Mike Cosack, and Jim Michel. And it was a very strange situation that we found ourselves in, because [redacted] including individuals detailed from DOD to the State Department, were seeking to secure special ~~an en~~treatment for [redacted] not necessarily on behalf of their agency but as individuals. They were seeking to make known their views.

In addition, we began receiving communications from the [redacted] was writing to the president. I think he wrote to the court seeking some consideration for [redacted]

Mr. Michel, myself, and Mr. Cosack had some discussions and along with [redacted] concluded that this was crazy, that there was no basis for this, and that we were going to oppose this kind of treatment for an individual that essentially we have viewed and had publicly stated we viewed as an international terrorist. So we were quite emphatic about our position and were resisting these efforts, if you will, to somehow get the government to endorse favorable treatment to [redacted]

UNCLASSIFIED

That was our posture. We had a meeting with State attended by [redacted] which afforded [redacted] an opportunity to convince us that there were good and valid and legitimate reasons why we should as a government go into

UNCLASSIFIED

court and seek some consideration for this man.

Q Let me interject there.

What were the reasons given for [redacted] [redacted] preferential treatment?

A He was a friend of the U.S. He had helped the U.S.

Q Were they more specific than that?

A Very vague, very general. And we were never, to my satisfaction, able to get any specifics.

EXAMINATION BY COUNSEL FOR THE HOUSE SELECT COMMITTEE

BY MS. NAUGHTON:

Q Did you get a sense of whether this was all retrospective or whether he was still working for us?

A Oh, no. I had assumed it was just for historical relationships.

Q Did anybody from the agency attend?

A Again, this is where I come back to a cast of thousands. There were many people there.

Q Well, at any rate, was the agency heard from in this whole--

A I don't--I'm not aware that the agency waded in on this. This was purely a DOD initiative, as far as I could tell.

UNCLASSIFIED

So we listened, and State was most emphatic on this one--no reason why to give into this--

UNCLASSIFIED

MR. McGOUGH: You say State was very emphatic?

MR. RICHARD: It didn't want it to go over.

MR. McGOUGH: Did not want to give preferential treatment?

MR. RICHARD: Did not endorse it. The State and Justice were walking hand-in-hand on this issue.

And it was a very peculiar situation, because in a way DOD was not institutionally supporting it. But these individuals were coming up and always prefacing their positions as speaking as an individual and going from there.

And, in fact, the court was sympathetic and was receiving information from individuals such as--

BY MS. NAUGHTON:

Q So these people [redacted] were contacting the court directly.

A Well, they were serving as character witnesses. When there came a point in time after the plea, they were writing in with pleas for leniency. I think I had a sense of hearing they testified in his behalf.

So you have this series of pleas coming in from--I wouldn't say DOD representatives, but individuals affiliated with DOD, as well as the [redacted] And we were, as I said, opposed to it. And the instructions to [redacted] were just proceed in a normal fashion, dispose of the case as you would

UNCLASSIFIED

normally, evaluate it in normal terms.

And ultimately a plea was entered, a sentence imposed--I think for five years concurrent, if I'm not mistaken--and the man ordered to surrender.

Then there came a point in time--I would say probably around the 1st, 2nd, or 3rd of October--when I got a call from Steve Trott, I believe it was, asking me to attend a meeting with Buck Revel, [redacted] thing over in the Executive Office Building. I forget whether it was immediately or first thing the next morning.

But I go over with Buck Revel, and we go into--I have to assume it was Oliver North's office. And present is Dewey Clarridge, Oliver North, Abrams--Elliott Abrams--and an individual who was introduced to me as a retired general. His name was given. I have forgotten it, but I believe people have told me it was General Gorman.

And the purpose of the meeting, as announced by Colonel North, was that [redacted] regarding this latest plea, which seemed to be centered on the fact that [redacted] had since surrendered to begin serving his sentence.

It was unclear--I got the impression that [redacted] thought he was going to go in from one entrance and out

UNCLASSIFIED

the other entrance--you know, and out the rear.

Q Did you get this impression from North? Did you have it before you went to the meeting? Let's put it that way.

A Well, I got the impression that that was what was triggering [redacted] You're really holding him--that was the sense I had. Like any--he didn't anticipate it--like he really thought, you know--

Q What I'm asking is from whom did you get this impression? Was it from reading [redacted] or was it from North told you?

A It's a valid question. Let me reflect on it.

I think that was mentioned at this meeting. Like what did he expect? And maybe I said it, but it was like [redacted] as I understood it from, I think, either Colonel North or from the general [redacted] And maybe I ventured to say, "Well, it sounds like he expected to walk right out."

MR. McGOUGH: At any rate, was he sentenced and then ordered to surrender at a later date?

MR. RICHARD: He had surrendered.

MR. McGOUGH: But it wasn't a matter of being sentenced and bail, bond--

MR. RICHARD: The court had recommended [redacted] The government, as I understood, took no position at that point,

UNCLASSIFIED

but the court had recommended to the Bureau of Prisons [redacted]

BY MS. NAUGHTON:

Q Was that at the defendant's request?

A Oh, yes. But the court endorsed it.

The designation by the Bureau of Prisons was that the initial receipt was [redacted] which is, I think, one step up in security from [redacted]

The purpose of the meeting, I guess, as articulated by Colonel North, was to discuss [redacted]

Then Colonel North, supported by the general, began also indicating that [redacted] was a friend of the government--the U.S. government--had helped immeasurably the military. [redacted] Had helped U.S. forces, was always available. Again, very ambiguous, no specifics, but he was always ready to assist us.

Q Did they say what position he held in [redacted] [redacted].

UNCLASSIFIED

A I always assumed he was [redacted] I may be wrong, but I always thought it was [redacted].

UNCLASSIFIED

Q Well, yeah, but did they ever refer to him in particular--

A Particular function, responsibility? I don't believe so.

The general just indicated to us that he was helpful in accommodating our military. So this became the theme, and it was a theme that North was articulating, and the general was supporting it. Dewey Clarridge concurred.

And what was probably the most surprising was Elliott Abrams now concurred that we should do what we can for this man, which, I must confess, I saw as a change in the State Department position. In all fairness to Mr. Abrams, he indicated that he had to leave for another meeting. He got up, but his parting remarks were, "We should do what we can to accommodate this man." And then he left the meeting.

I was asked what can be done for this man, and I basically said, "Look. His defense counsel can file motions to reduce. He's always free to apply for some immediate parole consideration." I'm not sure whether I articulated any other options at that time.

Then the issue came up--"Well, can you transfer him [redacted]

Q Who asked that?

UNCLASSIFIED

A I'm tempted to say North, because Colonel North was doing most of the talking. General Gorman was just supporting. Buck Revel was very quiet, and I felt very much on the defensive in this setting. This was--I just found myself in this situation.

I told them--I said, "Look. This appears to me to--anything we do for this man seems to undercut our position that we have taken repeatedly that this man is an international terrorist. This is certainly not consistent with the position we have articulated throughout the course of this prosecution that this man is a serious international terrorist and should be treated accordingly."

Buck Revel supported that proposition, and the meeting ended up with--"See what you can do about transferring him [redacted]."

I think I offered, as a possibility, because the mission was to come up with a possible response [redacted] [redacted] that conceivably what we could do was offer to brief [redacted] Does he realize what he's asking for? And maybe he doesn't appreciate fully the implications of the conduct engaged in by this man.

[redacted] I told them at the meeting that I would take it back and discuss it with the Department of Justice, and that's where we left it.

I think Colonel North remarked that he thought he had enough [redacted] It lasted all of 25 minutes or so.

I went back to the department. It's strange--I don't know--I don't recall briefing Weld on it. I have to assume he was in place at the time. He came in about this time.

But I talked to Steve Trott, and he said he didn't have any trouble with sending [redacted]

Q Had Trott indicated to you that he had had a similar meeting with Colonel North?

A Not at that time. Subsequently, more recently he had informed me of the fact that there was an earlier meeting. I was not aware of that at the time.

I'm not sure of the timing here. I did speak to [redacted] and told him about the meeting and asked him his views on sending him to [redacted] and he had no trouble with that. It's the mood--the sentencing on the request to go to [redacted], and he had no trouble with that.

UNCLASSIFIED

I talked to, I believe, John Martin. He had no major problems, as I recall.

And I got back to Weld, and he told me to call Norm Carlson, head of the Bureau of Prisons--

MR. McGOUGH: He told you to call Norm Carlson?

MR. RICHARD: Yes.

And why I say that--if I may drop a footnote--I had mentioned--when Steve Trott said that to me, I said, "The last time I called Norm Carlson and arranged for a transfer of a prisoner who had begun cooperating"--I transferred him from a medium-security facility to a minimum-security facility--"the guy absconded within a week." So I told Steve, "I'm not sure whether my credibility is very high with Norm Carlson."

So Steve Trott said, "Well, tell him if he has problems with it to have Norm Carlson call me."

So that was the gist of the conversation.

But I called Norm Carlson, and as I recall, he had no problem with it, and as far as I know, the man was transferred.

We never, as far as I know, went down and [redacted] [redacted] And that's about where we are, as far as I know.

BY MS. NAUGHTON: UNCLASSIFIED

Q Did you ever get back to the NSC or State Department?

A No. I didn't.

Excuse me. There was one other aspect in this narrative I didn't include.

I think right before the sentencing I received a call from Judge Sofaer over at State. He had been contacted

MR

by, I believe, the [redacted] of the Department of Defense [redacted] I don't recall the name [redacted] who wanted also to interject consideration for [redacted] This, I believe, was prior to sentencing.

For some reason, the individual couldn't reach anybody within the department of moment, and Judge Sofaer asked me if I would talk to him. I did. And I basically articulated what was our position with respect to providing any consideration to [redacted] That was it.

Q You never heard from him again?

A No. He was just making a very strong pitch for consideration. That was probably the most official DOD presentation that I had received during this whole process.

MR. McGOUGH: Do you remember who it was that Sofaer was speaking for?

MR. RICHARD: Sofaer--he called me just to ask that I call this individual.

MR. McGOUGH: But I mean who the individual was

UNCLASSIFIED

that you were supposed to call?

MR. RICHARD: He was head of the [redacted] for DOD.

BY MS. NAUGHTON:

Q Did he indicate either where he had gotten his information or what his connection was with [redacted]?

A I never received from any source specifics other than a friend of the government--a friend of the United States or another government.

Q Just for the record, [redacted]--do you know what security facility it is? Can you just describe it for the record?

A Well, it's a minimum-security facility. [redacted] And there are perimeter security arrangements.

MR. McGOUGH: Let me show--mark this as Exhibit 7.

[The document referred to was marked for identification as Richard Deposition Exhibit No. 7.]

MR. McGOUGH: They appear to be a couple of

UNCLASSIFIED

mk

transmittal slips. The top one--both of them appear to be dated October 2. And is that your handwriting at the top of the first one?

MR. RICHARD: That's correct.

EXAMINATION BY COUNSEL FOR THE SENATE SELECT COMMITTEE

BY MR. McGOUGH:

Q And for the record, would you read--it's dated 10/3/86, and would you read that for the record?

A "Steve Trott, according to Jim Michel, agreed to briefing. Verified SST"--that's Steve Trott--"send the items," which I assume refers to--that we were authorized to send the teletype. Do you want me to read the--

Q No, no. It's not necessary to read the text. But the teletype that it refers to from Abrams was to go to whom?

A If I'm not mistaken, it was a teletype responding [redacted] There was a communication--maybe--whether it was from [redacted] or Elliott Abrams, I don't recall.

Q How did this fit in time-wise with your meeting with North and Abrams in that event?

A The communication?

Q This transmittal slip--October 2--October 3.

A I assume that the meeting occurred, the cable was prepared, sent it over to John Martin or he got it from--did

I send it over?

They weren't aware of this--at the time when they were reviewing a cable of the developments--my proposal, for example, that we [redacted] and the fact that SST--Steve Trott--agreed that that could be something we could do to [redacted] They weren't aware that it had been accomplished to send them to Abrams.

Q So by this time there had already been a decision made to intervene with Norm Carlson?

A Yes. I spoke to--this is on the 3rd--on the 3rd, my notes suggest that I called Norm Carlson. Now, I'm not sure when physically the man was moved from [redacted]

Q But the letter and teletype from Mr. Abrams appeared to indicate that Justice had intervened on [redacted]'s behalf and recommended that he be sent to [redacted] So that the draft that was sent over on October 2 would have stated that Justice had in fact intervened.

A I'm not sure whether it was put in terms of intervention as opposed to--we have agreed to transfer the man or the man is being transferred for convenience of the [redacted] I'd have to--I'm not sure it was couched in terms of intervention.

MR. McGOUGH: What time--do you have a restriction in the evening?

UNCLASSIFIED

MR. RICHARD: No.

MR. McGOUGH: I think I've got maybe another hour or so.

MR. RICHARD: I just would like to finish today, but I'm prepared to go as long as you want tonight.

MR. McGOUGH: Do you need a break?

MS. NAUGHTON: I would like a break.

MR. McGOUGH: Why don't we do it now?

[Recess]

MR. McGOUGH: Okay. Let's get back on the record and turn, if we could, to the Evans prosecution--the Souther District of New York.

BY MR. McGOUGH:

Q Prior to the revelations in November of '86 about the Iranian initiative, were the defendants in the Evans case alleging a government authorization or government policy defense to their prosecution?

A I'm probably the wrong one to ask that question of. My understanding was that they had consistently maintained--at least with respect to the Iranian transactions--government authorization. But I would suggest you verify that directly with the Southern District of New York.

Q What, if any, authority, supervision, or review did you exercise over the Evans prosecution?

UNCLASSIFIED

A Well, I had worked with the Southern District of

UNCLASSIFIED

New York in terms of their apprehension. The individuals had been lured, if you will, to Bermuda, and it was a question of how to accomplish their arrival in the United States when we have to go through an extradition proceeding which not only would be cumbersome but could pose some problems in terms of the existing treaty and what have you. Our efforts were

M designed to see if we could arrange for ~~importation~~ deportation to the United States.

Q Were you involved in the pre-indictment stage of that case at all?

A I don't believe in a substantive way. I think I was aware that it was coming down--that there was this pending operation. But I certainly wasn't dealing in substance with the Southern District of New York on how to bring it down.

Q Prior to the disclosures about the Iranian Initiative, is it fair to say that the case did not--strike that.

After the disclosures about the Iranian initiative, did the case draw more of your attention as it related to their defense of governmental authorization?

A Well, the case had that particular interest to me because of what I'll call the Israeli connection. And I have been working quite closely on a variety of cases impacting on the government of Israel--or potentially impacting or

UNCLASSIFIED

involving the government of Israel In that regard, this case was of interest because, if I recall correctly, several of the defendants purportedly had prior Israeli military affiliation.

MS. NAUGHTON: Could we step back again? Could you tell us what the indictment was and what the defendants were charging? I believe there 17 defendants.

MR. RICHARD: That's correct. Not all of them have been apprehended. There are a series of--

MR. McGOUGH: Has the indictment been unsealed as to all of them, or do you know if they remain sealed?

MR. RICHARD: I believe that it is unsealed as to all of them.

It's been a while since I looked at the indictment, but what we're dealing with essentially are five conspiracies to illegally export substantial arms without requisite licenses.

The arms were going to a variety of--or intended to go to a variety of foreign countries, including Iran, but not limited to Iran. There were other countries, I believe, that also were intended ~~and~~ as users ~~for~~ in some of the conspirac~~y~~ies. MR

So that what you regard as the Evans conspiracy, I think, is only a portion of the total case.

MS. NAUGHTON: Did any arms actually get shipped?

MR. RICHARD: I do not believe that anything

UNCLASSIFIED

arrived.

Is that responsive to your question?

MS. NAUGHTON: That's fine. It's mostly for the record, not my curiosity.

MR. McGOUGH: We get so used to speaking about these things as terms--I think you're right. We need a little bit of background.

BY MR. McGOUGH:

Q You were talking about the Israeli aspect.

A You asked about--my initial interest or focus of the case was in the context of that issue, because I have been, as I indicated, heavily involved in a variety of cases impacting on Israel

Q Can you put a time frame on that issue in the case?

A I believe in April of '86, if I'm not mistaken, was the time when it was brought down, if you will--the arrests were made and what have you. It was several months, as I recall, trying to arrange for their entry into the United States. But the case was--complaints were filed, I believe, in about April of '86.

UNCLASSIFIED

Q Now, after the disclosure of the Iranian arms initiative, there were intensified efforts by defense counsel to raise the government authorization of defense, if we can call it that. And when did it first come to your attention that these had been connected somehow--these defenses had been connected with the Iranian arms sale?

A Well, I think from the start of the public revelations, which I guess were beginning in November, of the governmental initiative, the defendants in the Evans case began citing this as further justification for what they were asserting all along--was essentially government authorization or belief that there was going to be government authorization. If I'm not mistaken, there was no suggestion that they had the government authorization, but they had reason to believe they would have it at ~~the~~ time of the exportation.

There came a point in time, as I understood it, where the court--Judge Sand in New York--was making inquiry into whether there was a connection between the authorized initiative and that which was before the court in New York.

And there had been previous representations, if I'm not mistaken, made by the Southern District of New York to the court that inquiries to appropriate federal agencies had revealed that the activities embraced by the indictment were in fact not authorized.

Q Let me stop you there for a second.

Were you involved in those original inquiries to the various agencies?

A No.

Q Did you coordinate them?

UNCLASSIFIED

A No. I believe that the Southern District either directly went to those agencies or worked through our internal security section to secure the information from the relevant agencies.

Q And there came a time in or about November of '86 when the judge wanted something more in the way of a representation from DOJ.

A Well, here it was a representation, he ~~that~~ wanted information as to whether there was a connection between the ~~evidenced~~ matter and the authorized government conduct, which by that time was becoming publicly known and acknowledged.

As I recall, during this period I had been in touch with Rudy Giuliani, the U.S. attorney, and his senior staff; Denison Young; and, I think, Benito ~~Spenido~~ Romano as well as on occasion talking directly to the assistant. They telefaxed, I think, to me a proposed representation that they were suggesting be made to the court.

MR. McGOUGH: Let's mark this as an exhibit. This is Deposition Exhibit 8. My copy is mis-paginated. Is yours?

MR. RICHARD: Yes ~~Yeah~~. No, I'm all right.

[The document referred to was marked for identification as Richard Deposition Exhibit No. 8.]

BY MR. McGOUGH:

Q Referring to Deposition Exhibit 8, is that the telefaxed proposal or an affidavit?

A Yes.

Q With some handwritten interlineations on it.

A Yes.

Q And that would be your handwriting.

A No. Part of it is. Part of it I believe is Bill Weld's.

Q Now, this would have been transmitted on November 14, 1986. Is that right?

A That's the date reflected on the exhibit.

Q What steps did you take when you got this?

A Well, as I recall, I had earlier alerted Bill Weld to the fact that this issue was facing the department and ~~that~~ I believe Bill Weld had informed me that the attorney general was going to certify that there was no connection between the two cases.

Q This was before November 14?

A I believe, if I'm not mistaken, that it was before the receipt of the proposed Southern District language.

Q Which is dated November 14?

A Which is dated November 14. What I'm suggesting is in point of time it may have occurred on the 14th but prior to the receipt of the telefax.

I told Bill Weld that I thought that that was a terrible error.

Q What was the terrible error?

A To have the attorney general certify that there was

UNCLASSIFIED

no connection, because, quite candidly, as I evaluated the matter, I couldn't understand how anybody at that point in time would be in a position to certify that there was no connection. Setting aside the ambiguity of what a connection means--and I'm not sure to this day I know when you say there is no connection what you are asserting--it appeared to me that unless one had the most intimate knowledge of both sides of the equation--to wit, the Evans case and all of its nuances--as well as the Iran initiative along with all of its nuances, how could anyone draw a conclusion that there was no connection?

And I expressed this concern, I think, very strongly to Bill Weld, because I thought we were going down a path where inevitably we would be--the defendants would assert that we were disingenuous with our certification if ~~this lightest~~ the slightest arguable connection showed up down the road. And I was concerned about that.

I expressed it first to Bill Weld. I believe he agreed with me. I think he raised it with Steve Trott. We then--if I recall the sequence--we got the telefax, we went over it, changed some aspects, and again sent it forward. And I was again strongly urging that it not be made.

Q And when you say "sent it forward", you mean sent a draft or a revision of this teletype--telex forward to the attorney general.

UNCLASSIFIED

A Well, I can only say that as far as I know, it went up to Steve Trott. I have no knowledge of whether the attorney general literally saw this proposed teletype--this telex.

Q But at the time you sent this forward, Mr. Trott, as you understood it, was aware of your reservations and concerns?

A I don't believe I expressed them directly to him, but I think Bill Weld had let him know my feelings.

MS. NAUGHTON: If I can interrupt you for a second.

I missed whose idea or insistence or whatever it was to have the AG actually certify this as opposed to some other official.

MR. RICHARD: Well, that was the point. I think the Southern District had proposed it as their ~~best~~ desire.

MS. NAUGHTON: Had they proposed this to you?

MR. RICHARD: My recollection is that they had said that's what they wanted--was the attorney general to certify. And I believe that's the way I interpreted it--that they wanted the attorney general himself to certify it.

And as it related to me, it was that there was a willingness to make such a certification.

MR. McGOUGH: Was that related to you by Mr. Weld?

MR. RICHARD: Yes.

EXAMINATION BY COUNSEL FOR THE HOUSE SELECT

COMMITTEE

BY MS. NAUGHTON:

Q So Weld got back to the attorney general, and he said he was willing to make such a certification?

MR A ~~Yeah~~. yes

If I'm not mistaken, on this particular day when the issue was resolved, there was a question. There were two matters arising from active litigation in the field--the Evans and a matter on the West Coast, where--I think it was either San Diego or L.A. had a case--it was L.A.--before Judge Wilson. And Judge Wilson was inquiring as to the government's intent in light of the public revelations of the Iran initiative.

The judge in that case had a convicted defendant who was moving to set aside a conviction or a sentence. He had been convicted for allegedly--not allegedly--but for exporting illegally to Iran certain proscribed materials.

And the judge, in response to that motion, was asking the prosecuting U.S. attorney for certain information regarding the government's intended way to proceed in light of these revelations. So we--and the USA out there had three questions that he was seeking the answer to from the department.

UNCLASSIFIED

So both the Evans and this other case went upstairs. That is to say, I believe it was handled at an executive

UNCLASSIFIED

meeting which the top management of the department holds every morning. And I think it was taken up at that point in time. And I believe that this was done prior to the receipt of this actual proposal.

There was--if I'm not mistaken--there was nothing written on the table, if you will, at the time that the initial decisions were made. After the morning meeting, which takes place fairly early in the morning, if my memory serves me correctly, Bill Weld came back with responses for L.A. and a response--or at least a way of proceeding--in the Evans matter.

And it was in that context, if I'm not mistaken in my sequence of events, that it was conveyed to me that the attorney general was prepared to make the certification. And that's where the matter stood.

And later that day, which was the 14th--a Friday--I had occasion to be with Steve Trott, and I believe it was in connection with another case--the Pollard case--there were some developments on that--where Steve Trott called the attorney general and asked me to accompany him to see the attorney general on that matter.

We briefed the attorney general on that matter, and--maybe somewhat presumptuously of me--I said, "Mr. Attorney General, I want to raise the issue of the Evans case with you because I think ~~it's~~ there's a horrendous mistake that's

UNCLASSIFIED

about to be made." And I quickly articulated the reasons why I did not think that the department should make this kind of certification at this point in time.

Apparently--and this I guess you'd have to ask him--but my impression of his reaction was that he had by this time--he was not going to make that certification, because he quickly said--led me to believe that he was going to take it up the next day--Saturday--with the National Security Council. Now, I'm not sure whether he said National Security Council or Admiral Poindexter.

And that's where the matter stood.

Q Did he say--obviously--correct me if I'm wrong--your pitch is someone's got to know the full details of that and--of the Evans case and the U.S.-sponsored Iran initiative in order to make such a certification.

A If I may interrupt, the argument I presented to him was a simple argument, and that is that you just don't know all the proprietaries that may have been used or contemplated by either side of the equation. And until you at least know that, you're walking into a no-man's land in terms of connections between the two.

UNCLASSIFIED

I hope you appreciate--at this point in time, I don't think I appreciated that the attorney general had any personal involvement in the Iran authorized initiative. So I assumed he had no knowledge on both sides of the equation.

Q Well, that's my question. Did he impart to you any--either any knowledge of it or did he tell you that someone was looking into the Iranian--the U.S.-sponsored Iranian initiative?

A No, he just--he just basically said without commenting on substance that it was going to be taken up with the--either with Admiral Poindexter or the NSC the next day.

EXAMINATION BY COUNSEL FOR THE SENATE SELECT COMMITTEE

BY MR. McGOUGH:

Q How did you understand that would move in the direction of solving the problem?

A Well, for one, I felt somewhat relieved because the--it wouldn't be the Department of Justice making the certification. It was the National Security Council, who I assumed was intimately familiar with at least the Iran initiative. They would be in a far better position than the Department of Justice to come up with this broad certification.

Q But only from the Iran initiative side of the equation, which still had much less to do with the Evans case.

A I'm still troubled by that fact.

Q So Attorney General Meese was going to go the NSC and Admiral Poindexter on the--case.

A I'm not sure whether he said he would go, but that

UNCLASSIFIED

matter would be taken up on--

Q What was the next word you were going to say?

A Monday, I believe, which would have been, I guess, the 17th.

I think I probably either was out of town or late because by that time there was agreement on a certification to be offered to the Southern District of New York in response to Judge Sand's request. I think I learned of that after the fact.

I have seen some notations that indicate that the certification finally was devised was in fact communicated to the Southern District by Bill Weld directly.

MS. NAUGHTON: Did you have any part in drafting that?

MR. RICHARD: I had commented on the draft that came in from the Southern District without changing the critical point. What came in from the Southern District was not focused on the attorney general, though, but rather the Department of Justice, which also was of more comfort because originally I thought the attorney general personally was going to certify.

BY MR. McGOUGH:

Q So you run it back on Monday to find that there was some resolution?

A Yes.

UNCLASSIFIED

Q Did you attempt to determine--or did you determine how that resolution had met your concerns the week before--in other words, whether someone had in fact discovered once and for all that there was no connection.

A Well, I was confident somebody satisfied themselves that under some interpretation of the word connection that there was none.

Q Did you know who had done that?

A I thought it was Admiral Poindexter, who was in charge of making the final judgment to the Department of Justice. Whether he tasked anybody at the NSC, I cannot say.

Q But the certification went out from Mr. Weld to the Southern District.

A It was transmitted by Mr. Weld, but it was from the Department of Justice and made reference to the consultation with, I think, the NSC.

Q Were you confident that whoever was acting on behalf of the Department Justice in that capacity had sufficient understanding of the Evans case?

A Was I confident?

Q To make that representation.

UNCLASSIFIED

A I was concerned, only because I was concerned that someone would read "connection" extremely broadly. And I wasn't confident that, given the broadest interpretation of what Judge Sand was seeking, whether there was anybody in

MR

Washington certainly familiar enough with the Evans case to assert that there--with confidence--that there was no connection.

Q Well, I guess what I'm driving at is when you saw on Monday that Weld had made this representation for certification--

A If I may just interrupt you.

Q Sure.

A Weld didn't make the certification. Weld transmitted it to the Southern District.

Q When you saw on Monday that it had been transmitted to the department, were you still uncomfortable with the transmittal or by that time--

A Well, I'm concerned because it appears to me that it's an area of potential problems. This was a certification that was generated in good faith, but I was concerned without some clarification, simply because I just don't know what the word connection means in this context.

You have overlapping equipment, for example. If I recall correctly, some of the equipment in the Evans case consisted of TOW missiles. Is that a connection? If they used the same certification mechanism, is that a sufficient connection?

MS. NAUGHTON: Were you aware of the Khashoggi connection with the Evans case?

UNCLASSIFIED

MR. RICHARD: I was aware that--when you say connection--I was aware that Mr. Evans had a prior relationship with Adnan Khashoggi. We haven't determined whether that relationship extends to the operations involved in the Evans case. But there was history of a proprietal relationship.

All of those were concerns of mine.

BY MR. McGOUGH:

Q Were you aware at that point that Mr. Khashoggi was somehow involved in the Iranian initiative?

A I can't place it in time. I just--if nothing else, in the abstract, I saw this as a troublesome area that either should have been better articulated as to what the court was seeking by way of assurances or at least some more systematic inquiry should be accomplished before we made those representations.

Q As of Monday the 17th, did you express those concerns--those continued concerns to Mr. Weld or anyone else?

A Well, I don't recall afterwards expressing the same degree of concern. I was greatly relieved that the department had at least gone out to the NSC, who I understood had the information, at least on the authorized Iranian initiative and had sought their representations--affirmative representations to the extent that they were in a position to make them--that no, they were aware of no connection. This

UNCLASSIFIED

certainly alleviated a portion of my concerns.

I'm not sure that I continued to articulate ongoing concerns on this point.

Q Did you feel that you had been cut out of the situation?

A No, not at all.

Q On the 14th you screwed up your courage and raised this with the attorney general sua sponte, and then on the 17th you came back and found out that essentially that while the solution was a little bit better, it still didn't solve the problem. Did you feel--did you follow up any more with it?

A No. No, I didn't. I had, I think, expressed concern over a period of time--I just can't put it in time--in conversations with Denison Young about this problem.

Q After Monday the 17th, when you learned--

A Excuse me. If I may interject. My concern continues to be there only because now you have independent counsel generating information on the Iran initiative that is not being shared with the Southern District of New York, to my knowledge. So that now we're--at least as an abstract proposition--in the difficult position of standing by our representation but not privy to possibly new facts developed by the independent counsel that ~~my~~ may undercut their representation. This concern I have also articulated

MS. NAUGHTON: Can I ask just about the representation?

MR. RICHARD: Sure.

EXAMINATION BY COUNSEL FOR THE HOUSE SELECT COMMITTEE

BY MS. NAUGHTON:

Q First of all, this is not an affidavit that someone signed.

A No, but I--

Q I just want to get at the facts.

A That's right.

Q So basically it's in the nature of a pleading to the court.

A I don't know whether it was just a statement on the record or by--in a particular pleading.

I mean, the department would not, ~~to~~ in my judgment, tolerate erroneous representations to the court.

Q Oh, no. That's not my point.

My point is this: were this to be challenged--and what I'm asking is did this go through your mind as well--not just that that representation might be erroneous but that someday someone may actually have to testify at a hearing or a trial if either connection was found. And did you--did it concern you that this person might have to be the attorney general or Admiral Poindexter or someone of that stature?

UNCLASSIFIED

A Well, yes it did certainly concern me. This was one of the reasons why I suggested that this--initially a certification, as I understood, coming directly from the attorney general was crazy because it exposed him as a potential witness. This was one of the reasons for initially objecting.

Q Did you articulate that concern to the attorney general?

A No.

Q Did you articulate it to Mr. Weld?

A Yes. The question--you made a statement with respect to the concern. I was concerned about raising it with the attorney general. It was just in terms of the propriety of it--I mean, we were not there discussing the Evans case, and it was something that I had raised with my immediate superiors.

It was in the context of deviating from the chain of command that I saw myself, if you will, subject to some criticism, because I had raised it with Bill Weld previously. I knew he had taken it up directly with Steve Trott, and in that regard, for me to jump over them and take it--you know, mention my concerns directly to the attorney general was just outside the normal chain of command.

EXAMINATION BY COUNSEL FOR THE SENATE SELECT COMMITTEE

UNCLASSIFIED

BY MR. McGOUGH:

Q We're now coming up to the fact-finding weekend, as its become known, starting--on the 20th, 21st--in that area.

Did you have any further contact specifically with the Evans issue prior to the weekend of the weekend of the 21st, 22nd, and 23rd? I mean, did it come up again at any meetings that you attended? Did you raise it again with anyone that you can recall?

A No, not the certification issue.

I spoke regularly with the Southern District of New York on the Evans case as well as other cases, and I would not be surprised if the Evans case came up.

But in terms of going higher within the department, I don't recall any further meetings that we had.

Q Were you aware that Mr. Weld raised the issue at the staff meeting on the 21st?

A Which is?

Q Friday--the issue of the--whether the Criminal Division should be involved. It came up, as I believe as Mr. Weld's deposition, which has been released, indicated in the context of the Criminal Division becoming involved in the Iranian initiative side of the inquiry so that one person or at least one division would have all the facts in both the Evans situation and the Iranian initiative--exactly the point you were raising before that someone had to understand both sides of the equation.

Were you aware that Mr. Weld raised that issue at the staff meeting on Friday morning the 21st?

A No. Are you sure it's the 21st and not the 14th?

Q The information read that it's the 21st.

A No. In answer to your question, I'm not aware. If this is subsequent to the resolution of the Evans certification, then the answer to your question is no. I'm not sure--I was not aware that this became a new issue a week later.

Q Were you aware that the attorney general spoke to Mr. Weld on the 24th? That was a conversation where the attorney general said it's not accidental--or allegedly said it's not accidental that the Criminal Division has been kept out of this. There's a reason for it. Mr. Weld made the statement--made a statement about water spilling on the attorney general.

A No, I was not aware of that conversation.

EXAMINATION BY COUNSEL FOR THE HOUSE SELECT COMMITTEE

BY MS. NAUGHTON:

Q Have you read the Weld deposition?

A Yes.

Q It's my recollection--please correct me if I'm wrong; actually I think I have it--that he stated that you were present in his office when he received the call from the attorney general.

A I may have--on the 20?

Q On the 24th. This would be Monday morning at approximately 9:55--right before 10:00 o'clock.

A I may have been in his office when he received the call. My recollection is the first time I passed with anything or [illegible] given any information regarding this issue is the 25th.

MR. McGOUGH: Now, this is--when you talk about this issue--we're not talking about purely--we're not purely talking about the Iranian initiative. What we're talking about is the Evans--the interplay between the Evans case and the Iranian initiative.

MR. RICHARD: I must confess. I have read the Weld interview on this point, and I wasn't sure what was being referred to, whether it was the Evans case or the Iran initiative.

BY MS. NAUGHTON:

Q If I can for the record--page 22 is where he begins a discussion of this. And the question was:

"Q On the 24th, did the attorney general call you in regard to this subject?

"A Yes.

"Q Do you recall when that was?

"A Well, it was during a meeting I was having with my deputies. And those are often at 10:00 or at 10:30 a.m., so I would say it was between 10:00 and 11:00 a.m."

And then he goes on to describe the call which Mr. McGough just alluded to.

Do you recall either listening to Weld's portion of that conversation or discussing the contents of that conversation after he hung up?

A No, I don't. We have regular deputies' meetings. Generally they do follow on the heels of his meetings with the senior management.

I don't recall the Evans issue still being on the front burner at that time.

We had--I am not sure of the arguments articulated by Bill Weld to the attorney general with respect to the Evans certification. I don't know whether he referred to questions of proprietaries or both sides of the equation or what have you. I'm just not sure how we phrased it to the attorney general.

MR. McGOUGH: Do you recall ever being present when Mr. Weld said over the phone to the attorney general something to the effect that "I don't think you should try to carry too much water on this thing. Some of it may spill on you"?

MR. RICHARD: I don't recall the specific comment. It is the type of comment that Bill Weld would make.

MR. McGOUGH: But you don't recall being present

UNCLASSIFIED

when it was made.

BY MS. NAUGHTON:

Q Do you recall him ever alluding to or expressing a concern that the attorney general was acting like a gumshoe?

A Well, the next day--and when you're talking--

Q The 25th?

A --the 25th--that there are a lot of discussions and comments that I'm privy to--but not on the 24th.

Q I noticed you brought some of your calendars here. Could you please check the 24th? Would that indicate to you whether or not you had a meeting with Weld and at what time?

A I don't have my calendars here. These are only just little calendars.

Q I believe those were provided to the committee. I just don't have them with me.

A I had--beginning on the--I think it was the 25th--I began trying, to the best of my discipline and ability, to keep a log of some sort. But that began on the 25th.

I have nothing beginning on the 24th other than following public media disclosures regarding the Iran initiative.

EXAMINATION BY COUNSEL FOR THE SENATE SELECT COMMITTEE

BY MR. McGOUGH:

UNCLASSIFIED

Q Let me--in that vein--let me take us back again a little bit. And I want to talk about public disclosures of the Iranian initiative.

Like most people in Washington, I suppose that you were at least picking up on them now and again and were aware that this was a breaking sort of story.

A Oh, yes. Very much so.

Q Did there come a time prior to November 25th when you began to take a professional interest in the Iranian--allegations about the Iranian initiative? Did there come a time when you began to consider whether or not there were possible criminal violations involved in the activities that were being reported in the paper and if so, what if any role the Department of Justice would be playing in those.

A Well, I was very much concerned about them--the initiative, in particular the impact on potential--well, on cases both concluded and pending.

Q But setting aside existing cases--in other words, setting aside the impact of the initiative on existing cases--did you begin to consider whether the activities that were being alleged to have occurred in the initiative itself may have transgressed criminal statutes?

MR. RICHARD: Can we go off?

[Recess]

MR. McGOUGH: Let's go back on the record.

BY MR. McGOUGH:

UNCLASSIFIED

Q Mr. Richard, is it fair to say that during the period when you were reading about the Iranian initiative leading up to November 25th that in your own mind you were speculating about the procedures under which these sales might have been made and the legal requirements that might have applied to them?

A Yes. I was very interested in how these transfers were accomplished.

Q But did you discuss those speculations--to the best of your recollection--with anyone else in the department?

A No, I was just following media revelations as they occurred.

Q And did you do any independent investigation to determine whether, in fact, there were violations of those procedures or requirements?

A No.

Q When was the first time that you initiated those sorts of discussions or involved yourself in those sorts of discussions or analyses?

A As I recall, November 25th, I think, was following the attorney general's press conference and the revelations of diversion of monies to the contras.

UNCLASSIFIED

I was with Bill Weld in his office discussing the revelations when we were asked to proceed--I think first to Steve Trott's office but ultimately ended up in Chuck

UNCLASSIFIED

Cooper's office, where we were asked to review the situation and give a preliminary assessment of possible criminal statutes that might be implicated.

Chuck Cooper was there along with--I think it was a staffer for Mr. Cooper--John McGuinness, I think his name was. And we were given probably no more than a five-minute factual run-down by Mr. Cooper, and he handed out what purported to be a chronology--a classified chronology.

EXAMINATION BY COUNSEL FOR THE HOUSE SELECT COMMITTEE

BY MS. NAUGHTON:

Q Do you recall how long it was?

A It was several pages.

Q Was it like a narrative chronology or just a date?

A I believe it was just dates. There was a slug--a date, an event, a date, an event.

I recall that Mr. Cooper gave it to us to look at but indicated that there was some question as to its accuracy.

We really didn't have much time, as I recall, to go over the chronology, relying on the presentation of Chuck Cooper and our appreciation of the facts as discussed both in the media and in the attorney general's press conference.

We opined what criminal statutes might be involved or that could be involved. And at that point the attorney general convened a meeting which I did not attend; I was not

UNCLASSIFIED

invited to.

Q Excuse me. Could you give us a time estimate on that first meeting in Cooper's office?

A It was late afternoon. I would venture to say 4:30, 5:00 o'clock at night.

The meeting with the attorney general occurred probably around 6:00 o'clock. I remained outside the attorney general's office. I had--was talking to a U.S. attorney who--there were press reports indicating an arrest with an Iranian connection, and I was trying to find out some details about that which turned out to be not the case.

My recollection is that the meeting with the attorney general lasted seemingly about a half hour or an hour and then broke up.

MR. McGOUGH: Given the facts as you understood them at that point, what criminal violations did you speculate might have been committed?

MR. RICHARD: Well, there was a whole ~~slough~~ slew of potential statutes, depending on how the transaction was in fact structured or what was done to accomplish it. And there was a lot of assumptions, if you will. How was the money transported? What Customs violations were triggered as a result of attempting to move currency without declarations? Did that occur? Were bribes paid to foreign officials? I mean, it just went on and on, all based on "what if".

UNCLASSIFIED R

UNCLASSIFIED

And of course nobody at that time had the answers to that. So you really just didn't know.

BY MS. NAUGHTON:

Q If you can recall, what did Mr. Cooper tell you during the meeting in the late afternoon of November 25th about the November '86 HAWK shipment--how it came about?

A I'm not sure. I took some scratch notes. I don't know whether they reflect that kind of specificity.

Q But what you have in your notes is "November '85--18 HAWK missiles transferred but ultimately returned."

A That would have to have come from Mr. Cooper.

Q Do you know if--do you recall if he said anything else about that other than that they were shipped and they were returned?

A I assume I put it down there only because I thought it might be of some significance to the analysis of what potential criminal statutes might have been triggered.

It was a very superficial factual presentation, and I think, if I'm not mistaken, it was interrupted by one or two telephone calls from other high-ranking officials to Mr. Cooper giving him more details--I think State Department officials.

MR. McGOUGH: Was it your general conclusion that the chances that criminal statutes were transgressed were remote, likely, 50/50? Could you--what was your feeling

UNCLASSIFIED

coming out of the meeting? That it was a remote possibility that there were crimes committed or that it was a likely possibility or did you have a feeling at that point?

MR. RICHARD: My feeling was that it was something that had to be investigated from a criminal point of view--that there was no way you could easily draw a conclusion that there was no criminality involved without a thorough analysis of what transpired.

I was obviously familiar with the identifies of certain of the participants, which made me very skeptical about the integrity of the operation.

BY MS. NAUGHTON:

Q Who are you talking about?

A General Secord, I think, was identified as playing a significant role. I think at that time also Mr. Hakim, Mr. Clines.

Q Did you know Hakim from before?

A I knew of him, yes.

Q What did you know of him?

A That he was a shadowy character that played a financial role in some of the transactions that occurred back during the Wilson inquiry. I don't think we ever made anything, but again he was just a very elusive figure.

It just made me--heightened my concerns, knowing the individuals involved.

EXAMINATION BY COUNSEL FOR THE SENATE SELECT COMMITTEE

BY MR. McGOUGH:

Q Did the meeting with Mr. Cooper conclude with any sort of recommendation or resolution?

A Well, I think that--yes, to the extent that there were arguable criminal implications of these transactions. I think Bill Weld and I were categorical in our conclusion on this point.

Whether a given statute may be implicated or not was academic. But it was clear that there were potential criminal statutes that were involved, especially with diversion and a lot of questions about whose money was involved and property rights and was there a theft of government property, a misuse of government property--a whole range of issues that came to mind, depending on what the facts ultimately proved to be.

Q Was there any consideration or discussion at that point of how the investigation might proceed as a practical matter?

A The meeting with Mr. Cooper and Mr. McGuinness?

Q Yes.

A I don't believe so at all. It wasn't clear that there was going to be an investigation.

Q Was there any discussion given to the--was the possibility of destruction of documents discussed?

A At that point?

Q At that point.

A I don't believe so.

Q Was there any discussion of the necessity of securing documents or examining documents?

A Again, not at that stage. I don't believe so.

Q With the conclusion at the meeting with Mr. Cooper on the 25th--did that conclude your role in the matter on the 25th? Did you do anything else that day with regard to that investigation or diversion?

A I believe I remained at the department and talked to Bill Weld after the conclusion of his meeting with the attorney general. It's hard for me to identify precisely at what time what was said.

When I learned about the role of Mr. Reynolds and Mr. Cooper and the attorney general, I know from the first time I learned about it I expressed concern about it. And I expressed to it to Mr. Weld.

Q When did you first learn about that?

A I'm tempted to say the 25th--the time that I met with Mr. Cooper.

Q By that role, you mean their role in the fact-finding inquiry over the weekend?

A ~~Yeah~~ Yes, that's correct.

Q And what concerned you about that?

mr A Well, I saw this as inevitably going to a criminal inquiry. I just didn't see how it would go in any other direction, ultimately.

And there were a variety of issues that gave me concern--one, the fact that these very high-level officials would in fact be witnesses--conceivably fact witnesses--of critical importance to any inquiry; the fact that from an appearance point of view it suggested that in all probability their conclusions would be questioned and their motives examined, their objectivity examined.

I just felt that given the political situation--the factual context in which we found it that the department would be best served to get it into a more regularized pattern and, in my experience with these highly charged situations, to assign it to career, experienced prosecutors to commence an appropriate inquiry.

And I appreciated many of the counter-arguments of theirs. I felt, on balance, that it would be a mistake.

Q It was a mistake to?

A To play this role at this level--to have these high-level officials play this role.

Q That being the role over the fact-finding weekend.

A That's correct.

MS. NAUGHTON: Who was making the counter-arguments?

UNCLASSIFIED

MR. RICHARD: Myself, in my own mind.

MR. McGOUGH: Like any good lawyer.

MR. RICHARD: No, I can appreciate the fact that the attorney general wears at least two hats and that in the context of his needs that he has to accumulate the facts. But there, in retrospect, certainly ~~it~~ he might have been better served assigning someone to gather these facts and report back to him rather than participate at his own level and the levels of Mr. Reynolds and Mr. Cooper.

MR
MR

BY MR. McGOUGH:

Q You said that one of your concerns was the appearance of a lack of objectivity by Mr. Reynolds, Mr. Cooper, and the attorney general.

Did you have any reason to doubt their actual objectivity--that's Mr. Reynolds--any reason to doubt his objectivity?

A None whatsoever. No.

Q Any reason to doubt his competence to handle the investigation--to handle the fact-finding--the role that was cast for him in the fact-finding weekend?

A The role as articulated by the attorney general? No. I had no doubt--question his competence and ability to do that.

EXAMINATION BY COUNSEL FOR THE HOUSE SELECT COMMITTEE

UNCLASSIFIED

BY MS. NAUGHTON:

Q As long as we're on Reynolds, can I ask a question? His official title is assistant attorney general to the Civil Rights Division--or at least was at that time.

A Except that--I just don't know that for sure, because I know he has assumed other duties as well.

Q Okay. That's what I want to ask you about.

In terms of the other duties, could you describe to us what you know of those? I'm speaking in terms of the November '86 reference rather than what he's currently working on.

A Well, I don't know the timing. But he has assumed the duties of counsellor to the attorney general--that's my understanding--the role Ken Cribbs previously played.

Now, when--I can't place it in a point of time in November.

Q The attorney general testified that Reynolds was coordinating or somehow working on national security projects--alluded to them and did not elucidate.

Do you know what those were?

A No, I don't know, but it's quite conceivable that he had such assignments that I wouldn't know. I wouldn't have a need to know.

Q Was he perceived to be the de facto number two man at Justice?

A No, I certainly didn't perceive--I saw him as an individual who appreciated the confidence of the attorney general, who was very interested in a variety of areas and was called upon by the attorney general and others for his counsel and was well-regarded.

Again, back to the response--you know, of my concerns. I think I had articulated a question--why can't Mary Lawton's office play a role at some point?

MR. McGOUGH: You mean at some point after the 25th or some point leading up to the 25th?

MR. RICHARD: Why aren't they being utilized?

BY MS. NAUGHTON:

Q Could you explain for the record what her office is and what her background is?

A Well, she is the head of the Office of Intelligence Policy Review and handles all Department of Justice matters relating to implementation of the Foreign Intelligence Surveillance Act and is the principle component responsible for formulating and commenting on national security issues for the Department of Justice.

Q And that would include covert findings--covert action findings?

UNCLASSIFIED

A I'm not sure precisely what her role is in that regard, but I do believe she has a role to play in that.

Q And could you just give us an idea for the record

UNCLASSIFIED

how long, as far as you know, that you she has been with the Department of Justice?

A Well, she was formerly with our Office of Legal Counsel. She is a well-regarded attorney, has been with the government--must be at least 20 years. She had been with us, I think, for about 15 years, went into the private sector for about three or four, and returned to the department--or returned to government, I think, in about 1980 and assumed her present duties when Richard Willard became head of the Civil Division in approximately 1984, I would venture to say--maybe earlier.

Q When she was in the Office of Legal Counsel, do you know, was she--did she involve herself or write any opinions regarding national security matters or intelligence matters?

A I believe so. I think at that time there was no Office of Intelligence Policy Review, and I think she was the principle--certainly one of the principle--senior attorneys working in the area for the Office of Legal Counsel at the time.

She was also very active in FBI intelligence and undercover operations, commenting on the parameters of those activities.

MS. NAUGHTON: Thank you.

EXAMINATION BY COUNSEL FOR THE SENATE SELECT COMMITTEE

UNCLASSIFIED

BY MR. McGOUGH:

Q Let me expand on those questions I asked about Mr. Reynolds in regard to Mr. Cooper and Mr. Richardson.

Did you have any reason to question Mr. Cooper's objectivity or his experience--competence to handle the task that had been assigned to him over the fact-finding weekend.

A No, not to question his competence. I mean, it was apparent--to me, anyway--that he would be criticized, that it would be regarded as being irregular, as being inappropriate for him to assume what would be perceived by many as an operational role more suited for operational type personnel.

And I was concerned that the public would see this as a substitute for a different type of investigation, which would draw the department into controversy.

Q How about Mr. Richardson? Same questions.

A Mr. Richardson--again, he is an extremely competent attorney. And again, there is no question of competence or capability. It's a question of given their positions, of being misconstrued as to their operational responsibilities to gather this kind of information.

MR

Q Do you think that each of the attorneys we've been discussing have the type of experience that you believe might have been desirable to do the type of document analysis--interviews and analysis that was required over the fact-finding weekend?

UNCLASSIFIED

A Given their mission, I would say yes.

What concerned me was that their mission would be mis-perceived.

Q How did you see that mission? I mean, you say "given their mission". What do you mean by their mission?

A To basically find out what was--had transpired. To determine what has to be done. The trouble is to conduct interviews in this setting and in this context.

The concern I've always had is that it would be viewed as the launching of a criminal inquiry by people who normally do not engage in such activities, and thus it would be perceived as being irregular. The fact that the attorney general--tasked by the president or on his own initiative--seeks to acquire relevant data to find out what has occurred in order to make executive decisions is not inappropriate, in my judgment.

But I think this distinction over time would be lost on the public in general.

Q Based on what you know about the fact-finding inquiry and the results that evolved over that weekend, was there a point prior to November 25th that you feel the Criminal Division should have been brought in?

A Well, it's hard to say. For the purpose as articulated by the attorney general and others that was to be served at that time based on their appreciation of the facts,

UNCLASSIFIED

there was no problem. I have no quarrel with what was done.

I don't take exception to the notion that we have a confused set of facts. You try to find out what in fact occurred. The difficulty was the information that they generated suggested that what they were involved in may have criminal implications. But it was the very product of their efforts that revealed that.

Now we have the question of the ramifications of their activities on a potential criminal inquiry, and all that ~~blows~~ flows from that plus--you know, what concerned me was drawing the department's credibility into question publicly.

Q On November 26th, do you recall speaking with Mr. Weld from Milwaukee?

A ~~Yeah~~ Yes. I had gone out of town for the Thanksgiving holiday, but I had urged before leaving that again the matter be sent to the Criminal Division and assigned to career people. And I periodically called in to Mr. Weld.

Q Did you feel that your recommendation was being followed?

A At that point it was being considered. There was no resolution, as far as I understood--you know, at that time what was to be done. How any inquiry would be structured and how the department intended to proceed, as far as I understood, was still being considered.

UNCLASSIFIED

Q Did you ultimately at some point learn that a team

UNCLASSIFIED

of Justice Department attorneys that included Mr. Cooper was going to conduct the follow-up investigation after the 25th?

A Well, on the day after Thanksgiving, which was the 27th, I think.

Q The 28th.

A You're right--the 28th.

I think I was informed by Mr. Weld that a decision had been made to send it to the Criminal Division. I think when he told me that on the phone, I suggested that we immediately issue grand jury subpoenas to all the appropriate people at the White House to preserve the record and ensure that everyone was on notice that there was an ongoing criminal investigation and that there would clearly potential obstruction issues if there were destruction or tampering with pertinent records.

Q What suggested to you at that point that that sort of precaution was necessary?

A Professional experience? I don't know.

Q There was no fact that came to your attention between when you were brought into the case on the 25th and your recommendation on the 28th that might have led you to believe that possible--that these steps ought to be taken to prevent destruction of records.

UNCLASSIFIED

A I don't recall any specific fact. It just seemed to me that any destruction or alteration of documents was a natural concern that we should have. I can't tell you what suggested it to me.

Q Do you know what steps were taken--or what was Mr. Weld's response, do you recall?

A Well, he told me that the attorney general decided that grand jury should--subpoenas should not be issued, that we can accomplish the same objective I was seeking to accomplish through the sending of letters to relevant agencies.

Q Did you consider that an acceptable alternative?

A Acceptable? Well, part of my concern was anticipating a potential defense of individuals that they weren't aware that there was an ongoing criminal inquiry. And sending to an agency--protect your records--accomplishes a portion of what has to be accomplished to protect and preserve the records.

The conveying of knowledge, though, is easily conveyed when someone is specifically hit with a grand jury subpoena for records.

Q It was acceptable but didn't totally do everything you wanted--would have liked it to do.

A Well, I mean--yes. Just my own approach would have been to issue the subpoenas.

UNCLASSIFIED

Q Let me return to what I think--a question that I left dangling a little while ago, and that was did you learn that a team of Justice Department attorneys that included Mr. Cooper was going to be supervising the investigation on behalf of the department?

A When you supervising the investigation--the I don't recall that it was that he was to supervise but rather be part of the criminal investigative team.

Q Well, I'll accept that.

A No, I mean it wasn't that all of a sudden we were reporting to Cooper--that was not my understanding--but that there was the desire that he participate as part of--a member of the team.

Q Did you have any problems with that?

A Yes, but they were subsumed by events, because it was clear that--quickly that the way we should be going is through the appointment of an independent counsel. So the notion of constructing a viable in-house investigative team quickly went by the boards in my mind anyway.

Q What were your concerns about Mr. Cooper participating with the team?

A Well, it became clear that the FBI felt very uncomfortable with his role. I mean, I think they were very uncomfortable with our role.

There was seemingly suspicion across the board. Anyone other than--at best--career people--you know, who-could-they-trust type of atmosphere. And it was very difficult to learn what the bureau was finding, doing.

And it was clear right from the first, in my mind, that the bureau was very reluctant to work in a constructive fashion with the team that was being proposed. I don't think they had any problem with the Criminal Division personnel, but the whole role of Mr. Cooper and what it implied to them gave them, I suspect, a lot of pause. Now, how high up that pause went, I don't know.

MR. McGOUGH: That was as far as I was going, to go with the background sort of thing.

Pam, why don't you finish it up?

MS. NAUGHTON: Yeah, I had just really a few questions on this.

EXAMINATION BY COUNSEL FOR THE HOUSE SELECT COMMITTEE

BY MS. NAUGHTON:

Q I gather--on the weekend between the 21st and the 24th, were you in Washington that weekend?

A The 24th of November?

Q November of '86--yes.

A I believe so.

Q Had the attorney general asked you to take part in the fact-finding inquiry that weekend, would you have done so?

A Oh, sure.

Q And had he asked you to instruct the people who work under you to do so, would you have so instructed them to do so?

A Certainly.

Q If I can go back one minute to what we were talking about in the Evans case.

Prior to November of '86 when the whole issue of this certification to the court came up, did the attorney general certify at any other court or was there other discussion on any--on the Evans case or any other case that the attorney general should make such a certification?

A No, I don't believe so.

There was the West Coast case, where we had to make some departmental representations to the court, but nothing of that nature. I don't recall right off hand what those were, but they didn't pose, at least to my knowledge, any--

Q To your knowledge, he was not personally involved.

A He was aware of it, or so I was led to believe by Bill Weld, who took this up in his early-morning staff meeting.

Q My question is specifically in a much earlier time frame--let's say the summer of '86. Was there such an issue raised?

A I don't recall any--in the summer of '86? I am not aware of any.

Let me--if I can go back just to clarify something

UNCLASSIFIED

that I said earlier that may be confusing. It was in connection with the Evans case.

At some point Mr. Weld may have been urging that the inquiry required--not required, but that should be conducted for the Evans certification--be done by the Criminal Division. That I don't know. If that's what he was urging on the attorney general, which may be possible, that may explain some of the ambiguity that has arisen with respect to my knowledge of what he is telling the attorney general. That would make some--that is a possibility.

But I don't recall that being articulated--that we should take over the investigation of both sides of the equation. It certainly wasn't something I was advocating. I don't know if that clarifies it or further confuses it.

Q Just for the record, the staff--senior management group meeting that occurs at 8:30 every morning with the attorney general--you are not part of that, is that correct?

A No.

Q So you were not present when Mr. Weld made those comments.

A That's correct.

Q I want to skip ahead for a minute to December 1st of '86, and this is right before the decision to seek an independent counsellor.

UNCLASSIFIED

I took a note of our last interview with you, and now I can't remember what it means. It's referring to something that Jameson said, who is of course with the counsel for CIA, regarding that the 1985 shipments didn't occur. And this conversation apparently took place in Deputy Attorney General Burns' conference room.

A There was one meeting on the--if I could just refer to my notes for a moment--on December 1st. After a lot of discussion, we are urging--we meaning Jack Keeney, myself--we urging Bill Weld to recommend the appointment of special counsel.

Now, I think we were favoring at this point a model that had been previously used by the department pre-independent counsel. What we were referring to as a ~~current~~ Curran model is the appointment under existing authority of an independent counsel appointed outside of the independent counsel's statute. Because there was serious question in our mind at this stage, certainly, whether the Independent Counsel Act was being triggered by the facts then known.

MR. McGOUGH: Because of the covered person?

MR. RICHARD: The--person aspect, the confused facts--I mean, a variety of questions arose as to the applicability of the Independent Counsel statute to the situation.

And I don't propose to be an expert on the nuances of that act or the prior department positions being taken with respect to the act, but I certainly felt that it was appropriate to go for an independent counsel model and that if there was any question as to the availability statutorily of the Independent Counsel Act, that we still had authority, independent of that act, to appoint a special counsel. And we were urging that on Bill Weld.

There was a meeting on the first with the attorney general--Burns, Bill Weld, with Cooper, Cribbs, Richardson, I think Bill Hendricks of the Criminal Division, Allen Carver--at which we expressed our views to that effect to the attorney general. From that meeting--and the attorney general listened and asked some questions and took it under advisement.

From that meeting, we then proceeded down to the deputy's office, where we met with some FBI agents, who were there to brief us on the status of the inquiry on the first. It was clear certainly there that the FBI had great reluctance to reveal--

MS. NAUGHTON: Had what?

MR. RICHARD: --had great reluctance to reveal all of the information that they were gathering. At least that was the tenor of the meeting, if you will.

Now, in answer to your question: if it's all from my notes of that meeting, I can only say that that's something that they probably didn't mention.

I don't have the notes before me, but I don't believe Mr. Jameson was at that meeting.

BY MS. NAUGHTON:

Q If it came from the FBI, then, during an interview with Jameson--

A I don't believe that Jameson--

Q Now, for the record again, your notes indicate that on that date when the issue of Mr. Reynolds' meeting with Tom Green came up, you and others were very much opposed to that.

A Yes.

Q Could you tell us why?

A Well, at this point in time, as I recall, the matter was now with the Criminal Division, and we really saw no justification for someone of that rank and position to be present at what could be an extremely critical meeting with an attorney for a major figure involved in the matter.

Q Were you actually present when Mr. Reynolds gave his reasoning for a meeting with--

A I believe that occurred in a telephone conversation.

Q Were you present for the other half of that conversation?

A Yes. I know we discussed it with Bill Weld and strongly urged him to oppose Reynolds meeting at all. And we may have opposed even the meeting. I don't recall that. But we certainly, I think, were unanimous in our opposition to Mr.

Reynolds being present.

Q Were you present when--did Mr. Weld call Reynolds?

A I believe so.

Q And were you present?

A I think so, yes.

Q And after Mr. Weld was through with the conversation, did he explain to you what Mr. Reynolds' reason was?

A My understanding is that our arguments that he was going to be putting himself into a position of being a potential witness--that's already done, so that is not a particularly persuasive argument.

I think the agreement reached was that our attorney would be present, which was a significant factor for us that meetings with defense counsel would not be held absent the presence of a Criminal Division attorney.

Q I know what I had a question about.

The subsequent application to freeze the accounts made through Switzerland--were you--did you take part in that?

A Yes.

Q Where did you get the account numbers that were used?

A Which applications are you referring to? I mean, to initially freeze the accounts?

Q These would have been filed. They're part of the attorney general's exhibits--something like exhibit 60 or so.

A In answer to your question--

Q This would have been in mid-December or so.

A Well, we started our efforts to freeze the account fairly quickly. I think it was early December.

Judge Sofaer and I had a conversation, in which I think he suggested or questioned what are we doing. It was agreed we've got to move to ensure that there ~~is~~ are no transfers of monies. And we agreed upon an approach to accomplish that as quickly as possible.

Now, at that time--at the initial stage where we approached the Swiss--I believe we were given an account number by Mr. Cooper. They had acquired an account number during their efforts, I'm tempted to say, that was given to the FBI either through Mr. Cooper or through the State Department.

Q Well, no--this kind of point--did you personally get it from the FBI? Let me start from scratch.

Did you author the document--the actual document--the application?

A Well, I worked on it with people from our Office of International Affairs. We stayed, I think, well into the night, if I recall correctly, on some of the applications. The FBI, myself, and the head of--one of our team leaders who ~~that~~ was most familiar with the Swiss procedures--~~entry~~ evidentiary requirements.

UNCLASSIFIED

Now, where did we get the number? Depending on which request you're addressing your question to, I would say the FBI except for the first request. And the first request--I think the State Department provided it.

I apologize--only because it was of no great moment to me other than that we had the account.

Q Forgive my ignorance, but what's the reason for the second request?

A Well, there were initial steps, if you will, that were taken that were designed to accomplish the immediate objective, which was to freeze the assets. That was the immediate objective--to make sure that nobody was taking money out of relevant accounts.

Judge Sofaer and I had discussed the best way to approach this. And we had agreed that we would do it on a multiple-track approach, going to the Swiss government on a diplomatic route, to the ambassador in Washington, and then following it up with a request in anticipation of a formal treaty request.

We went this way thinking it was the quickest way to accomplish our objective, and in my judgment it proved to be that way, because we got it immediately frozen but not under the treaty.

UNCLASSIFIED

Now, this is an area that is difficult for me to go into because under the treaty, the responses coming back from the Swiss to us I'm not allowed to divulge to--

Q Let me ask some specific questions, and you tell me if you can answer them then.

The request I particularly want to concentrate on right now describes the--I guess the basis for freezing the accounts as the possibility that it might be U.S. money.

A That's correct.

Q So is that your first request that you just described--in other words, the basis for freezing the accounts?

A The first request was based on a possible 1343 violation of Title XVIII, which was--if I'm not mistaken. The next request included 1341 and 641.

Q So the first one doesn't necessarily contemplate U.S. monies, because it could be a fraud on anybody.

A That's correct.

Q But the second one did contemplate U.S. monies, because it was 641.

A The initial formulation of what to ask for, as I recall, was my judgment based on what the FBI was telling me they knew of from a factual point of view. We had to predicate the request on known facts.

Q Did you--other than the very first account number that was presented in the first request, did you either add account numbers or change account numbers in the subsequent requests?

A We added account numbers, but the FBI was at this point coming up with the data--they were giving us ~~as~~ to what they found as far as the accounts. We wanted to take the action against any and all accounts, so as soon as we learned of accounts, we would just constantly be sending in our requests.

I was getting the data from the FBI. That was my source of information.

Q Did you ever get any information from either the Swiss or any other source that any of the account numbers were incorrect?

Is that revealing too much?

A It is, under the treaty. I'm really--

Q That's fine.

MR. McGOUGH: While she's looking, let me just ask you what I hope is going to be one quick question.

EXAMINATION BY COUNSEL FOR THE SENATE SELECT COMMITTEE

BY MR. McGOUGH:

Q Did you have any contact with a prosecution or an investigation out of the Eastern District of Pennsylvania into the machinations of an alleged Saudi prince by the name--used a lot of different aliases, but the most common one was Al-Masoudi--Al-Masoudi?

A I don't recall, but periodically we would get inquiries from the State Department about prosecutions of various reported princes. And they're asking for status. I don't recall this one.

Q Do you recall having any contact with Oliver North or anyone at the NSC about such a person?

A No.

Q How about any--does the name Richard Miller or International Business Communications mean anything to you in that context?

A International Business Communications?

Q IBC.

A No.

MR. GENZMAN: Also the name Zadeh--Z-A-D-E-H, which I believe was the name he was prosecuted under.

MR. McGOUGH: He was prosecuted under Zadeh in the United States Eastern District.

MR. RICHARD: And the charge?

MR. McGOUGH: Attempt to defraud the William Penn Bank.

MR. RICHARD: William Penn Bank.

MK

Conceivably ~~Considerably~~, only because it is not unusual for me to get these calls about would-be princes and connections with various royal families and what have you. But it just doesn't ring a bell.

UNCLASSIFIED

What I normally do is just inquire on the status and pass that on to the State Department.

MS. NAUGHTON: I do have one other question, I think.

EXAMINATION BY COUNSEL FOR THE HOUSE SELECT COMMITTEE

BY MS. NAUGHTON:

Q I'm referring you to your notes of December 1, '86. And towards the bottom here it says--when it's talking about Secretary Weinberger--

A At the bottom?

Q Where it says--it refers that Secretary Weinberger said that the '85 shipments didn't occur. Do you know who was talking or what they're talking about in that note?

A This is part--as I interpret my own notes--this is part of the December 1, '86 FBI briefing which occurred in the deputy's conference room. And this is the FBI conveying this information. I see earlier, incidentally, that they make reference to George Jameson, so that confirms the suspicions that it was--

Q Do you recall the FBI telling you that Secretary Weinberger had said that 1985 shipments did not occur?

A I can only refer to the notes--the fact that they here suggest that the representation was made, but the FBI--that this is what is emerging. Now, where they got it from,

UNCLASSIFIED

I don't know.

MS. NAUGHTON: I have no more questions. Thank you.

MR. McGOUGH: I have nothing further to make. Bob?

MR. GENZMAN: All the points that I had have been covered.

I thank you for your time, sir.

[Whereupon, at 6:12 p.m., the taking of the deposition concluded.]

CERTIFICATE OF NOTARY PUBLIC

I, William D. McAllister, the officer before whom the foregoing deposition was taken do hereby certify that the witness whose testimony appears in the foregoing deposition was duly sworn by me; that I am neither counsel for, related to, nor employed by any of the parties to the action in which this deposition was taken; and further that I am not a relative or employee of any attorney or counsel employed by the parties hereto, nor financially or otherwise interested in the outcome of the action.

William D. McAllister

William D. McAllister
Notary Public in and for the
District of Columbia

My commission expires October 15, 1989.

13 APR 84

Memorandum

UNCLASSIFIED

J 4782

Subject

Boland Amendment

Date

April 13, 1984

To

Mark Richard
Deputy Assistant Attorney General
Criminal Division

✓Victoria Toensing
Deputy Assistant Attorney General
Criminal Division

From

Stephen S. Trott
Assistant Attorney General
Criminal Division

Please contact Mary Lawton ASAP and prepare a memo on the Boland Amendment. What it is, why it was passed, what it was intended to accomplish, and when and why it expired (Sept. 83 ?) etc.

What is the effect of its expiration on our problem?

Richard Willard and Ralph Tarr insist that § 1341 means that if zero funds were authorized for "mining activity" etc., the expenditure of $1 violates the Antideficiency Act. It is a technical argument at best, with respect to a statute that has never been enforced--or even thought of in this light. Any thoughts?

Stay in touch with Lowell on this during my absence.

Thanks.

[redacted] Declassified/Released on 10 FEB88
under provisions of E.O. 12356
by K. Johnson, National Security Council

5617

Richard Deposition
Ex #1 Jum
8-19-87

UNCLASSIFIED

24 MAR 86

UNCLASSIFIED

ROUTING AND TRANSMITTAL SLIP Date

TO: *(Name, office symbol, room number, building, Agency/Post)*	Initials	Date
1.		
2.		
3.		
4.		
5.		

☐	Action	☐	File	☐	Note and Return
☐	Approval	☐	For Clearance	☐	Per Conversation
☐	As Requested	☐	For Correction	☐	Prepare Reply
☐	Circulate	☐	For Your Information	☐	See Me
☐	Comment	☐	Investigate	☐	Signature
☐	Coordination	☐	Justify	☐	

REMARKS

3/26/86 spoke to Tillman -
AUSA not back yet from N.O.

file - Contra folder.

2280

Partially Declassified/Released on 27 July 1987
under provisions of E.O. 12356
by B. Reger, National Security Council

DO NOT use this form as a RECORD of approvals, concurrences, disposals, clearances, and similar actions

FROM: *(Name, org. symbol, Agency/Post)*	Room No.—Bldg.
	Phone No.

Richard
Ex #2

5041-102

OPTIONAL FORM 41 (Rev. 7-76)
Prescribed by GSA
FPMR (41 CFR) 101-11.206

☆ GPO : 1985 O - 461-274 (435)

UNCLASSIFIED

ROUTING AND TRANSMITTAL SLIP

Date 3/24/86

TO: *(Name, office symbol, room number, building, Agency/Post)*	Initials	Date
1. MARK RICHARD		
2.		
3.		
4.		
5.		

☐	Action	☐	File	☐	Note and Return
☐	Approval	☐	For Clearance	☐	Per Conversation
☐	As Requested	☐	For Correction	☐	Prepare Reply
☐	Circulate	☐	For Your Information	☒	[✓ See Me]
☐	Comment	☐	Investigate	☐	Signature
☒	Coordination	☐	Justify		

REMARKS

PLEASE GET ON TOP OF THIS. DOJ. IS GIVING A HEADS UP TO THE N.S.C. HE WOULD LIKE US TO WATCH OVER IT.

CALL KELLNER, FIND OUT WHAT IS UP, AND ADVISE HIM THAT DECISIONS SHOULD BE RUN BY YOU.

2731

DO NOT use this form as a RECORD of approvals, concurrences, disposals, clearances, and similar actions

FROM: *(Name, org. symbol, Agency/Post)*	Room No.—Bldg.
STEPHEN S. TROTT ASSISTANT ATTORNEY GENERAL CRIMINAL DIVISION	Phone No.

5041-102

OPTIONAL FORM 41 (Rev. 7-76)

101-11.206

☆ GPO : 1985 O -

UNCLASSIFIED

~~SECRET~~

The Deputy Attorney General March 20, 1966

Oliver B. Revell
Executive Assistant Director
Investigations

[redacted]

NEUTRALITY MATTERS -

INFORMATION MEMORANDUM

The entire contents of this memorandum are classified "Secret."

[redacted]

2282

~~SECRET~~

Classified By G-3
Declassify On: OADR

UNCLASSIFIED

SST [illegible]

UNCLASSIFIED

Rest of
Document

(4pp)

Deleted in its

Entirety

UNCLASSIFIED

NO DATE

J 5641

Garcia - sentencing on ~~Monday~~ Tuesday

claiming that he prosecuted because he wouldn't go along

Tony Avirgan visits Carr + Thompson

worked for Asst P. Defender in Miami Tony visits Carr & Thompson.

Tony Avirgan says he also works for 60 minutes

Public Defender believes its all a CIA plot - CBS has the story

Co-pilot - Vasquez - son of gun runner

Summary

~~Garcia + Terrell~~ -

Has case on gun charges - Possibly neutrality act violation.

Hull - CIA

Richard Depo
Ex #3
8-19-87 jem

Partially Declassified/Released on 10 FEB 88
under provisions of E.O. 12356
by K. Johnson, National Security Council

5618

UNCLASSIFIED

Letters to Ct. probation.
Garcia [redacted]
Allen Saum - [redacted] - but used him to make
12/85 - Convictions on gun charge

F. Defender tells AUSA that in 2/85 meeting
Garcia, Carr, Thomas, [illegible] Jones, Corvo, Castro meeting in Miami
discussed 1) blowing up of 3 Embassys
at meeting 2) Killing Tambs
3) Gun running

We corroborate not people in Miami

In 3/85 - Thompson, Carr - weapons to Costa Rica.
above question Carr & Thompson & 2 others arrested in Costa Rica

we have manifest of plane which suggest corroboration

1/7/86 - Garcia polygraph test = inconclusive re assassination = deception on Posey

1/86 FBI asked that Carr & Thomas be interviewed

In Carr & Thomas deny participation. Admit knowing game. Heard of plot in jail

implicated in 2nd murder [promised murder weapon]

Garcia & Cotin
1/16/86 FBI interviews Cotin - ... worry about lie
refers FBI to Terrell

FBI - interviews Terrell - Terrell confirms Garcia's story. Terrell says its all hearsay. "Heard it around"
Terrell says story
Frank Castro representing Ochoa at meeting who says the group would pay $1 million to kill Tambs. 1) Believe the Tambs & CIA had killed - Corvo killed at CIA request.
Terrell saying that CIA were present at the meeting to killing of Tambs, 3 embassy - US/Honduras & Costa Rica] & Russian in Costa Rica - making it look like Sandinista.
Castro says Ochoa doesn't care who gets credit.

UNCLASSIFIED

NO DATE

J 2097

MARK RICHARD -Criminal Div		633-2333
VICTORIA TOENSING CRIM DIV		633 3721
[illegible] HOLMBERG	FRAUD SECTION	724 6[illegible]
Barbara Nicastro,	Fraud Section, Crim Div.	724-6953
KENNETH BERGQUIST,	Office of Legislative Affairs, Justice	633-4787
[redacted]	DEA	[redacted]
TOM BYRNE	DEA Intelligence	
[illegible]	[illegible] Organized Crime	
[redacted]	DEA	
Joseph J. Tafe	[illegible]/Crim Justice	724-71[illegible]
THOMAS E MARUM	INTERNAL SECURITY, JUSTICE	724-70[illegible]
[illegible] "B" Kellner	U S Atty, SD Fla	536 5[illegible]
Charles S Saphos	Crim Div., NDDS	724-7045
GEORGE R STERICK	FBI CAC	[redacted]
AL SEDDON	FBI / Terrorism	
DENIS J FISCHER	FBI TERRORISM	
[illegible]	[illegible] TERRORISM	
JIM EGBERS	FBI / INTEL DIV	
GAIL D. BURTON	FBI / TERRORISM	

Partially Declassified/Released on 10 FEB 88
under provisions of E.O. 12356
by K. Johnson, National Security Council

5619

[redacted]

Richard Depo
G F 4
Jun 7-19-87

UNCLASSIFIED

NC Date
J 4123
case →

Call — Bill Price - USA - Iran got details

lives in San Diego

9/11/86 - Bill Price - Hendricks —

1- want to arrest subject - David Scott Weekly

9/85 Weekly got into argument with local cops & said need 2 rolls C4 - needed C4 for training reasons for foreign officials

/ Weekly puts C4 on 3 flights - commercial flights to Vegas. He said it's like Weekly shipping so much C4 around country.

[illegible]

CIA

Weekly works for Tom LaFrance out of San Diego & Bob Gritz [MIA]

Gritz lives in a compound outside of Vegas. Police officer tapes

Weekly boasts on tape that he's tied into CIA & Hasenfus - said he reports to people reporting to Bush

Albert Schnyper - also related to Weekly. Schnyper a professor San Diego [illegible]

CIA was contacted ATF ↗ [illegible] Col - no CIA connections

calls/ Sept-Oct 1986

1) Weekly's phone tolls call Nestor Pino, Spec Asst to Undersecretary for Security Assistance -- boss

Pino's boss is William Schneider

(A)

2) Phone calls from Weekly to Alex Va - Tom Harvey of NSC 10/30/86.

(B) Call from Weekly to Customs: FNU Logan

United Technologies

Hendricks has talked to USA

Richard Depp
Ex 5
Jim 8-19-87

5620

[redacted] Declassified/Released on 10Feb88
under provisions of E.O. 12356
by K. Johnson, National Security Council

UNCLASSIFIED

24 No. 86

Briefing 11-24-86

Get all press clips on Nicaragua.

No involvement of U.S. officials diverting
No proof of lining of pockets.

Diversion of gov't funds to buy weapons

- [redacted]
- NSC.
- Leon Kelner told to slow down

No criminal violation → $ for bullets
Conspiracy to defraud US.

Leon Kelner → [redacted]

get 3 month old memos

2 shipments out [redacted]
to [redacted].

beyond transportation
goes to prepayment + timing
of [illegible]

Ret [redacted]

- [redacted]

no ~~[illegible]~~

Unified declination looks like "we like the contras"

If we decline for Nat'l Sec. reasons
have to report to Congress

Partially Declassified/Released on 11FEB88
under provisions of E.O. 12356
by K. Johnson, National Security Council

5621

Richard Depo
Ex #6
3-19-87 Jom

UNCLASSIFIED

2 Oct 86

J 4614

UNCLASSIFIED

ROUTING AND TRANSMITTAL SLIP Date October 2, 1986

TO: (Name, office symbol, room number, building, Agency/Post)	Initials	Date
1. Mark M Richard		
2. w/ Steve Trott, according to Jim		
3. Richard agreed to briefing		
4. [illegible] SST - [illegible]		
5. [illegible]		

	Action		File		Note and Return
	Approval		For Clearance		Per Conversation
	As Requested		For Correction		Prepare Reply
	Circulate		For Your Information		See Me
	Comment		Investigate		Signature
	Coordination		Justify		

REMARKS

We have reviewed the attached draft teletype and proposed letter from Assistant Secretary Abrams, and discussed this matter with Roger Yochelson of OIA. We note two inaccuracies in A/S Abrams' letter. First, contrary to the assertion in his letter, Justice has not intervened on [redacted] behalf to recommend that he be sent to [redacted] At sentencing, the Government was silent on this issue. Since then, we have neither supported nor opposed sending [redacted] Second, although

Partially Declassified/Released on 11 FEB 88
under provisions of E.O. 12356
by K. Johnson, National Security Council

Richard Rejo

Ek 7

8-19-87 Jm

[redacted]

DO NOT use this form as a RECORD of approvals, concurrences, disposals, clearances, and similar actions

FROM: (Name, org. symbol, Agency/Post)	Room No.—Bldg.
John L. Martin	Phone No.

5041-102 OPTIONAL FORM 41 (Rev. 7-76) Prescribed by GSA FPMR (41 CFR) 101-11.206

UNCLASSIFIED

5622

UNCLASSIFIED

- 2 -

A/S Abrams represents that Justice is
prepared to brief the [redacted]
on the evidence and legal process in thi
case, we are not aware of any such plans

We understand that the attached
communications have not yet been sent.
We strongly urge that, before transmitta
A/S Abrams' letter and the draft teletyp
be modified to clear up these two points

SST
agrees

[redacted]

UNCLASSIFIED

J 4616

UNCLASSIFIED

ROUTING AND TRANSMITTAL SLIP

Date 10/2/86

TO: (Name, office symbol, room number, building, Agency/Post)	Initials	Date
1. John Martin Int. Security		
2. 2C00 FTR		
3. ~~Mr. [illegible]~~	GEH	10/2
4. Mr [illegible]		
5.		

☐	Action	☐	File	☐	Note and Return
☐	Approval	☐	For Clearance	☐	Per Conversation
☐	As Requested	☐	For Correction	☐	Prepare Reply
☐	Circulate	☐	For Your Information	☐	See Me
☐	Comment	☐	Investigate	☐	Signature
☐	Coordination	☐	Justify	☐	

REMARKS

Mark Richard asked me to send this to you for your comments (John). We feel State overstates DOC position - Please see marginal notes. Thanks.

DO NOT use this form as a RECORD of approvals, concurrences, disposals, clearances, and similar actions

FROM: (Name, org. symbol, Agency/Post)
Drew Arena

Room No.—Bldg.
FTR 606

Phone No.
272-8017

5041-102
☆ U.S. G.P.O. 1984-421-529/422

OPTIONAL FORM 41 (Rev. 7-76)
Prescribed by GSA
FPMR (41 CFR) 101-11.206

[redacted]

UNCLASSIFIED

14NOV86

FACSIMILE TRANSMITTAL

4005

NUMBER OF PAGES: 9
(excluding cover sheet)

DATE: 11/14/86

TO:	NAME & POSITION MARK RICHARDS	PERSON'S FTS PHONE NUMBER
	AGENCY, DIVISION & UNIT	FACSIMILE MACHINE FTS NUMBER 633-5143
	ADDRESS (with room number)	FACSIMILE MACHINE VERIFICATION NUMBER 633-3684
FROM:	NAME & POSITION LORNA SCHOFIELD	SENDER'S FTS PHONE NUMBER
	AGENCY, DIVISION & UNIT - United States Attorney's Office Southern District of New York	FACSIMILE MACHINE FTS NUMBER (Automatic) 662-9178 (212) 791-9178
	ADDRESS (with room number) One Saint Andrew's Plaza, Rm. 728 New York, New York 10007	FACSIMILE MACHINE VERIFICATION NUMBER 662-1139 (212) 791-1139

SPECIAL INSTRUCTIONS:

CARRY ASAP TO MARK RICHARDS

Nov 14 2 30 PM '86
[illegible]
OPERATIONS

Richard Dep.
Ex. 3
for 8.19.87

Richard dep. ex. 3

THIS SHEET MUST BE USED ON ALL TRANSMISSIONS THAT ORIGINATE FROM S.D.N.Y. U.S. ATTORNEY'S O

Declassified/Released on 11FEB88
under provisions of E.O. 12356
by K. Johnson, National Security Council

5623

UNCLASSIFIED

J 4006

U.S. ATTY SDNY 11/14/84 16:30 P. 2

DRAFT

This statement is submitted in response to the Court's inquiry concerning the effect on this case of recent disclosures concerning the authorized shipment by the United States of arms to Iran. At the Court's request we address three issues: 1) the merits of the case, 2) bail, and 3) the scheduled trial date.

MERITS OF THE CASE

All of the charges in this case arise out of the defendants' schemes to make false statements to the United States. The events discussed by the President late last week have no bearing whatsoever on the illegality of plots to defraud the United States, as charged in Indictment SSSS 86 Cr. 384 (LBS).

The Indictment charges three types of crimes all arising from the defendants' efforts to misrepresent to the United States the intended destination of arms, which the defendants in fact were attempting to sell to Iran. The first five counts charge conspiracy to defraud the United States and make false statements. The next 46 counts charge a scheme to defraud the United States using wire and mail communications. The last five counts charge that some of the defendants actually made false statements to the Office of Munitions Control in the Department of State.

The Department of Justice has carefully reviewed this case in connection with the recent events ~~as~~ discussed by Present Reagan in a nationally televised address last Thursday. The Department has [illegible] advised the United States Attorney's Office that these events

connection with

have [illegible]

Declassified/Released on 11FEB88
under provisions of E.O. 12356
by K. Johnson, National Security Council

UNCLASSIFIED J 4007

by this Office to the Department of Justice in Washington

charged in the Indictment. The United States Attorney's Office is further advised that no exculpatory, i.e. Brady, materials exist by virtue of those events. ~~Recent inquiries~~ no basis for them ~~confirm our previous statement that there is nothing to suggest that the defendants were a part of any officially sanctioned efforts by the United States to ship armaments to Iran.~~

We would respectfully remind the Court that five separate conspiracies or proposed arms deals are charged in the Indictment. In connection with only one, the "Vianar Conspiracy," did any of the defendants discuss or even suggest during the undercover negotiations that the specific arms deal in question had been submitted to the United States Government for approval and that the Government was considering it. As for that proposal, that assertion that the proposal was sanctioned is demonstrably inaccurate and, in any event, unrelated to the recent disclosures. [As for the remaining four conspiracies, the defendants' assertions that the transactions were authorized are also without foundation. They are speculative defense raised by counsel only after the arrests.]

Accordingly, the Government submits that the merits of the case are not affected by recent disclosures and news reports.

BAIL

All of the defendants are free on bail except the defendant Albert Flearmoy. We have agreed to a bail package for Mr. Flearmoy in view of his representation last week for the first time that he actually has funds to deposit as security for

UNCLASSIFIED

his release. Until last week, Flearmoy's counsel had not presented for the court's consideration any bail conditions that Flearmoy could meet.

We oppose any modification to the bail conditions previously set by the Court for the remaining defendants. In our view, the trial should proceed expeditiously as scheduled, and the strength of the Government's evidence is unaffected by recent disclosures.

TRIAL DATE

All pretrial proceedings should be concluded in a timely fashion such that trial can begin as scheduled on February 2, 1987. In view of what is described above, there is no basis for additional discovery related to the recent disclosures. Moreover, defendants a case cannot raise an apparent authority defense. Freidman under existing authority Accordingly, as discussed in the Government's memorandum of law in opposition to the defendants' discovery requests, defendants are not entitled to information related to the recent disclosures.

agreed

UNCLASSIFIED

take 1
THOMAS;mhl

UNCLASSIFIED

TOP SECRET

DEPOSITION OF JOHN N. RICHARDSON, JR.

Wednesday, July 22, 1987

4347

U.S. House of Representatives

Select Committee to Investigate
Covert Arms Transactions in Iran

Washington, D.C.

The committee met, pursuant to call, at 1:30 p.m., in room B-352, Rayburn House Office Building, with Pamela Naughton (Staff Counsel, House Select Committee) presiding.

Present: Pamela Naughton, Staff Counsel, Staff Counsel, House Select Committee; W. Thomas McGough, Jr., Associate Counsel, Senate Select Committee; and Kenneth Buck, Assistant Minority Counsel, House Select Committee.

Also Present: Jack E. Perkins, Deputy Assistant Attorney General, Office of Legislative Affairs, U.S. Department of Justice.

Partially Declassified/Released on 1-22-88
under provisions of E.O. 12356
by N. Menan, National Security Co

UNCLASSIFIED

MS. NAUGHTON: Could you state your full name?

THE WITNESS: John North Richardson, Jr.

MS. NAUGHTON: My name is Pam Naughton. I am Staff Counsel to the House Select Committee to Investigate Covert Arms Transactions with Iran.

MR. McGOUGH: Tom McGough, Associate Counsel to the Senate Select Committee.

MR. BUCK: Kenneth Buck, Assisant Minority Counsel, with the House Select Committee.

MR. PERKINS: Jack Perkins, Office of Legislative Affairs, Department of Justice.

BY MS. NAUGHTON:

Q Mr. Richardson, could you tell us what your title is?

A It is Assistant to the Attorney General and Chief of Staff.

Q What do your duties include?

A I am basically responsible for the office operations, Office of the Attorney General, and that includes supervising a number of lawyers, the paper flow in and out of the office, the schedule operations, travel operations, and basically daily management of issues that are coming through the office.

Q Just so I have the structure correct, at around October-November of '86, Mr. Cribb was in your office,

Kenneth Cribb?

A Right.

Q Did you work for him or was that sort of separate?

A Yes, I did. He was Counselor to the Attorney General and my reporting relationship was through Cribb to Meese, although as a practical matter, I did a substantial amount of my work without checking with him.

Q Now, could you tell us where you graduated from law school?

A University of Virginia.

Q What year was that?

A '82.

Q What did you do after law school?

A I was Law Clerk to a U.S. District Judge in Richmond, Virginia for one year.

Q Which judge was that?

A Dorsch Wariner.

Q Okay, and after that one year Clerkship with the judge, what did you do?

A I joined the staff of the Counselor to the President, Mr. Meese, when he was at the White House.

Q This was in '83?

A Yes, June of '83.

Q What did you do as Mr. Meese's assistant at the White House?

A   I was a volunteer in that office for the first couple of months, and I basically worked as assistant to Ken Cribb, who was Meese's assistant. In August, I was put on the payroll and for the first probably six months, I worked primarily on judicial selection matters, and preparing briefs for meetings and reviewing incoming papers, helping to organize them, and whatever projects Cribb gave me.

Q   After that period of time?

A   Then Meese's Special Assistant left the staff. I was made Special Assistant and I guess my duties, the responsibilities, increased. I became involved in more substantivie matters, more meetings. I would attend meetings and occasionally with Mr. Meese, take notes. Essentially the same, but I guess doing more of that.

I became, when he was nominated to be Attorney General, I was working on the confirmation document production, working on those issues. I guess I also was, I was the lawyer -- Cribb and I were two lawyers on the staff, and when, for example, when debate came along, I was tasked with going through all of his documents to see if anything was responsive. So I would take on projects like that, too.

Q   During your years at the White House did you do any staff work regarding Mr. Meese's role in the National Security Counsel or NSPG?

A   No. I saw paperwork occasionally but no staffing,

UNCLASSIFIED

as I recall.

Q Did you attend any meetings either on your own or with Mr. Meese during that period of time at the White House regarding funding for the contras, Nicaraguan resistance?

A I don't think so.

Q Did you participate in any discussions or any meetings involving soliciting money from third countries to support the contra movement?

A No.

Q Did you have anything to do while you were at the White House with processing any form of findings for covert actions?

A No. Again, I may have seen certain documents in the safe if I were looking for something like that, but I was not otherwise involved.

Q Do you know what your clearance was while at the White House?

A I think top secret, but --

Q Code word?

A No. I think I would know and I don't, never knew about code word until I got to the department.

Q When did you get code word clearance?

A Well, it was definitely after March of eighty -- let me think here -- I came to the department in March of '85. It was some time after that. I don't know precisely.

Q Shortly after?

A After I had been at the department several months I took over doing [redacted] and for a period of time when I took that task on, ~~Stohl~~ Steve Gailback in the office continued to do the code word stuff that would come in [redacted] [redacted] I took those over -- I am not just sure when it was. It was a substantial period of time.

[redacted]

PAGE 7

DENIED IN TOTAL

[redacted]

Q Now, along this same period of time, in '85, early '86, were you aware of efforts on the part of DEA agents to be tasked with locating and/or extricating hostages held in Lebanon?

A No.

Q When did that come to your attention?

A I am not sure. I know it was some substantial period of time after the Iranian initiative had been made public and --

Q Something after November of '86?

A Definitely after that, and it may -- it could have been later than that. I think I became aware of it when it became a matter of general public discussion that there had been some sort of DEA assistance.

Q Did you have any discussions with the Attorney General about the DEA participation in this effort?

UNCLASSIFIED

A After I learned about it?

Q Yes.

A I don't think so.

I know he was briefed by Jack Lawn, but I did sit in on that briefing, other than to say something, I may have said we need to find out what DEA did, or something along those lines. We didn't have any detailed discussion of it at that point.

Q Do you know of any discussions with the Attorney General in which you either participated or were present at which the subject was mentioned that private funds were being used for this operation?

A Well, more recently, the last couple of months, there have been discussions like that, saying where we have learned some information about what DEA did and who was involved, but back at that point, no.

I guess that is your question, back when we first, when I first learned about it?

Q What I am getting at is, was it ever discussed at any time between the Attorney General and anyone else in your presence, including yourself, that private monies had been used for this operation?

In other words, had been authorized to be used or there was a discussion to the propriety or legality of it?

A There have been, there have been discussions about that in the last two weeks, for example, but not before that I recall.

Q What were the discussions in the last two weeks, do you recall?

A Well, it was basically going over matters that have been of public interest, preparing for his testimony, and I asked from DEA General Counsel last week, the Chief Counsel, documents that had been provided to the Hill so I could inform Meese and inform the Attorney General about what might be reviewed. So it was in that context.

Q Did the Attorney General tell you whether or not he authorized the use of private monies for the DEA operations?

A He did not tell me that he authorized it.

Q Did he say he did not?

A I don't think he was aware of it. That is obviously something that you should ask him, because --

Q Sure.

A There is no discussion of -- that I recall -- of his having authorized it.

Q I want to take you to a time around March of 1986. There is a case out of the Southern District of Florida, in Miami, that is known by him at this time also. One is Garcia, one is Corvo, and it has to do with basically two things, an alleged assassination plot against Ambassador Tambs, and some allegations of gun running to the contras. The investigation began sometime on or about December of '85, and continued through '86.

Do you recall when this case first came to your attention?

A No, I don't.

Q In March of '86, or thereabouts, do you know whether or not you were aware of the case?

A I don't recall being aware of it. It is only recently that I have been -- it is something that is recognizable.

Q So, you don't think you learned of it until, shall we say, after November of '86?

A Well, the question dealt with March of '86, right?

Q I am trying to get a handle on when you first learned about the case.

A Okay. I think it is clearly after -- I believe it would be after November of '86. It may have been much more recently, since the beginning of the congressional hearings on this initiative.

Q Are you aware, or were you aware, or are you now aware, of any requests by anyone on the staff of the National Security Counsel for a briefing on this criminal investigation?

A I was not aware of any requests at the time that they were made.

Q Have you since come to learn NSC requested such a briefing?

A I am not sure. I believe -- I am not sure if they did or not. There have been a number of subjects that have been covered in prep sessions in the last week or two with the Attorney General, so I am not familiar with the details of it. I may have heard something along that dealt with this subject, but I don't recall it, so I am really not in a position to answer.

Q Moving along to the month of November '86. Were you aware on or about November 7 that Chuck Cooper was being tsked to look into the legal ramifications of the Iranian arms transaction?

A I believe I found out the tasking to Cooper fairly soon after it was done, and I think I found out from Cooper, but I am not positive. But I did know fairly soon after that Cooper had been tasked to look into some of these issues. I think it came up in the context of asking the AG about making sure that we, OLC, is looking at some of these questions and the AG having said Chuck is working on that. Something like that.

Q Was there any discussion at that point -- let's say from November 7th until the 20th -- regarding whether or not the Criminal Division should take a look at it, being as though the Arms Export Control Act and other Acts may be applicable?

A I don't recall any discussions suggesting that, but I wasn't -- I was not intimately involved in that during that time period before the 20th.

Q Did the attorney --

A OLC would normally advise on matters like that, as opposed to the Criminal Division.

Q I am not asking about advise, I am asking about investigation.

A No, I don't think there was any discussion. I certainly was not aware of any, present in any discussions where it was suggested Criminal Division investigate anything.

Q Did the Attorney General tell you whether or not he had asked Mr. Cooper to do this of his own volition, or whether or not he had been asked to help with a legal analysis by anyone at the White House or NSC?

A I don't know the answer to that. He didn't explain the reason for doing that.

Q You don't know how it was initiated?

A Other than the Attorney General asking Cooper to do it, no.

Q Mr. Cooper has testified that he prepared a book of statutes for the Attorney General to review. Did you see that book or --

A Yes

Q Did it come through you or --

A I don't think so. I think he handed it to the Attorney General.

Q And how is it that you came to look at it?

A I specifically recall seeing it over the course of the couple of days before and during the weekend. Well, I say I know during the weekend fact finding inquiry, I am not sure about the days before. But I know I saw it over the course of that weekend and afterwards.

Q Was there any analysis in the notebook or was it something of compilation of statutes?

A I am just not sure. I think it was a combination of statutes, but he had done, as I recall, Cooper had provided a legal memorandum by the time of the weekend inquiry and so whether that was in there, I don't remember.

I tend to think it was just the statutes, though. Meese is very committed to looking at the law. He doesn't like for you to tell him what it says, he likes to look at the statute and all that sort of thing.

Q Were you aware whether or not the Attorney General participated in drafting or reviewing any of the President's statements that were made between the time period of say, November 4th and November 20th?

A Can you give me a hint about what they would be?

Q Well, the President gave a statement, I believe, on November 13th.

A That was that speech to the nation?

Q Yes. He had another press conference on November 19th.

A Yes. I just don't recall whether he did or not.

Q Do you recall getting any drafts from the White House?

A I just don't remember. I know, I don't think we got anything circulated formally. That is, through the Office of Cabinet Affairs at the White House into our Executive Secretariat.

Q If it got circulated informally, would it have come through you?

A Most likely it would have come through me, because there are standing instructions on our staff, which Meese's personal secretary abides by as well, if a package comes in it is normally kicked to me. So I probably would have seen it, but I just don't recall whether one was sent or not.

We have done, as I said, we have done a couple of speeches on a close hold basis where a text would be sent over and come to me and he would take a look at it, but actually statements were more on the point, but I just recall it if these were one of them, I tend to think not, but I am just not sure.

I know after the 25th of November, for example, the President's statement on the 25th of November, Meese was involved with, and I don't know, I know there was a statement concerning -- I believe it concerned immunity in December of '86, that I think he was involved with, but I recall those, but I don't recall the others.

Q Moving then to November 20th, the Attorney General was scheduled to spend most of the day at West Point. Do you recall what it was that cancelled or changed those plans?

A It was basically I think twofold, but his reaction to the President's news conference and the next -- that was a Wednesday night. The next day, Thursday, I believe there was a meeting scheduled in Poindexter's office to review Casey's testimony, and either Poindexter's testimony or material he was going to use to brief members of Congress.

I think, I don't know if the AG called me Wednesday night or if I found out first thing Thursday morning, but he called and said that he was going to be attending this meeting and that he would delay his departure by I think it was four or five hours.

I believe he was scheduled to be in classes at West Point teaching, and that sort of thing, Thursday afternoon. He delayed it until a dinner function.

Q You made those arrangements?

A Well, I probably called our travel guy and said fix this because he is not going to leave until "X" time.

but I think the Army, I believe flew him up there, so it was pretty simple. They were providing the plane. So I think we delayed his departure time.

Q Does the Attorney General have a driver?

A Yes.

Q For all his transportation? That is from home to office and meetings and so forth?

A Yes. If he goes out, he will frequently not use a driver on the weekends, or unless he is going to a particular function or something like that, but if he leaves the house he normally has an FBI person with him and sometimes they will go in his car, sometimes the FBI car, but for business functions, he would be brought to work by the department driver and taken to and fro.

Q When would it be he would have an FBI driver with him?

A It may be on weekends. If say it is Christmas time, if they are going to go out to get the tree on the weekend or when he goes to church on Sunday, I think they drive a family car and the FBI follows him to church. So it sometimes, like in those circumstances, they would not, he would not have an official driver. Most of the time, he does.

Q During the weekend of November 21 through the 23rd, do you recall whether or not for that period of time, you vehicle?

A I think he had, well I used the personal vehicle. For example, when I went over to the White House to go through Ollie North's documents, but I believe the AG had his driver on duty that weekend. I recall after lunch on Saturday, his getting into his department car and I could be wrong on that, but that is my recollection.

Q Now, we were on the 20th and the delayed departure. Do you recall, did you see a draft of Mr. Casey's testimony prior to the meeting to review the testimony on the afternoon of the 20th?

A I don't think so. I don't recall it if I did, but I don't believe I did.

Q Did you see it after that?

A I don't think so. I mean, I may have seen a document, I may have seen a draft in Chuck Cooper's hand, for example, but I don't recall having looked at a draft.

Q Were you at the session to review Mr. Casey's testimony?

A No.

Q Did you speak to the Attorney General about it after he returned from the drafting session?

A No. As I recall, he went straight from the White House to I think Andrews Air Force Base and on up to West Point.

Q Do you recall when that was?

A Well, I made an inquiry to try to find out, and this is more recently, and I think it was, I believe he had wheels up at around 4:30 and/or 4:40, and so it is probably -- I think we estimated he left the White House around 3:30, because at that time of day, it is probably 45 or 50 minute drive out there. I think their takeoff had been delayed by rain or something. It is in the 3:30 range.

Q Now, do you recall the Attorney General receiving any calls from anybody at the Department of State on the afternoon of the 20th?

A No. I just don't recall.

Q Do you know whether or not he spoke to Judge Sofaer Legal Advisor from the State Department?

A I don't know.

Q Do you know whether or not he spoke to Secretary of State Shultz that day -- the 20th?

A I don't know.

Q Would those calls normally have come to you in his absence?

A I think if the system worked, I would have been notified that they had called, but I just don't know whether I was or not. If he was not in the office a call like that would be put on his telephone log and frequently if a Cabinet official calls, I would return it and see if there were anything that we could lend a hand on, although I don't recall whether there was a call or whether I did that.

Q Do you know whether or not Deputy Attorney General Burns received any telephone calls from the Department of State that day?

A I have been told since that day that he did. I didn't know that he had then.

Q When did you learn that he had?

A I recall learning about it in the last several weeks.

Q So it was not brought to your attention at the time it occurred on November 20th?

A That is right. I don't recall it having been.

Q Did you speak to Mr. Burns about it after learning about it?

A No.

Q How is it that you learned then that that telephone call took place?

A It may have been during congressional testimony, which I was watching on TV, or it may have been from Chuck Cooper.

Q Were you present when Deputy Attorney Burns spoke to the Attorney General about this phone call?

A No. I mean, I think a few weeks ago when this came up, I think we figured out that Meese probably took the call

Q When you say we figured out, who is we?

A I asked a couple of my secretaries in the office to figure out when Meese took off from Andrews, talked to Cooper to see how long the meetings was in the White House, and I guess Chuck Cooper indicated the approximate time of the call or that information came from someone, and the estimate was Meese was probably in the car when it happened.

Q So the Attorney General did not tell you about the call I guess at any point and certainly not November of '86, is that correct?

A I don't recall him mentioning it in November of '86. He has mentioned it in the last several weeks.

Q Now, on the evening of the 20th, were you called by anybody from the Department of Justice regarding the discrepancies that had come up between the recollection of Secretary Shultz and the statements made in the Casey testimony?

A I don't think I was. I don't believe I was. I believe I got a call. It might have been from the Attorney General, or from the staff member who was in West Point with him, indicating that -- probably from the staff member -- but indicating that he had had a conversation with Chuck Cooper and that he was returning to Washington first thing the next morning and cancelling the Friday leg of his trip, and I believe I called that night, Bruce Zanka, who is our travel, he handled traveling arrangements for the Attorney General to make sure everything was wired. I think I put him in touch with West Point.

Q Do you recall when it was that the Attorney General arrived back in Washington, D.C. on the 21st?

A I don't recall. I know in looking back at staff meeting notes that -- I don't think he was at the 8:30 meeting that day. So he may have arrived right afterwards, but I think it was fairly early, at the start of most people's day, a couple of hours after he normally begins.

Q Were you at the staff meeting on the 21st?

A I think so, because I believe I saw some of my notes from that day.

Q Did anything occur at the Friday morning staff meeting that is of relevance to the Iranian arms sales or the Nicaraguan resistance?

A Well, there is an entry from my notes where the subject is mentioned but there is nothing significant. I don't think there was anything significant at the time and now I don't think anything significant occurred.

MS. NAUGHTON: If you could mark this, please.

(Exhibit No. 1 was marked for identification.)

BY MS. NAUGHTON:

Q I am showing you what has been marked as Exhibit No. 1 to this deposition. Are those your notes?

TOP SECRET

UNCLASSIFIED

A Yes.

Q Of the staff meeting?

A Yes.

Q And your notes indicate, do they not -- firstly, do you know where the originals of these notes are?

A I believe they are in my office's possession with material that -- I think what we have done is kept an original of everything that is produced and they are I believe with that. Although they have been searched in response to other document requests in other matters from the Independent Counsel Walsh and another matter. They have been reviewed for relevant material for another matter, so I can't -- I provided to the Independent Counsel Walsh originals of most of my notes, if not all, in this matter, and I don't think I provided the originals of these notebooks to him, I think I still have got them. They are one of two places.

Q We were told last Friday at the Department of Justice that the originals were at the White House.

A No, no.

Q To be kept for Wedtech.

A Those are Meese's notebooks only.

Q Your originals are then, where precisely would they be?

A I can't tell you. I don't know. We have got -- we have got -- there is a location in our office where we

UNCLASSIFIED

have got all of these, all of the original materials. I think they are put in one location to be made available for inspection. What is it? I am not sure if they are physically in the White -- what is in the custody of the White House are Meese's spiral notebooks, handwritten notebooks in spiral notebooks.

Q If we can then go to this exhibit, which is obviously a redacted copy. Thre is an entry that says "Weld" -- which I assume refers to Assistant Attorney Weld -- Aasistant Attorney General for the Criminal Division, is that correct?

A Yes.

Q And the reference reads "How long AG to carry legal load alone -- various agents involved. JRB," whom I assume is Mr. Bolton, he is Assistant Attorney General for the Office of Legislative Affairs?

A Yes sir.

Q "Response focus Cooper, et cetera -- as develops," and then Weld again, "CRM Division," which I assume stands for Criminal Division?

A Yes.

Q "Needs to be informed for impact on other cases."

A Yes.

Q Could you tell us exactly what those notes indicate the discussion was?

A Okay, I don't have a specific recollection but this is what I think they mean.

That Weld was mentioning that the AG should have others involved in trying to figure out what statutes were implicated by the transactions that we knew had occurred.

Q You are speaking about the U.S. sponsored Iranian initiative arms transactions?

A Well, I am speaking of the Iranian initiatives and I guess at that point, we didn't really know. I am not sure when precisely I became aware enough to know there were questions about what happened in '85 and who had sponsored or approved, but it is that whole series of arms shipments and initiatives in that regard.

Bolton pointed out that Cooper is already involved in that, that his office has been the focus of this legal review and Meese was not, that the department was formally involved in doing that, Meese wasn't doing that alone. And that then Bill's point, Weld's point for second entry is that Criminal Division needs to be informed of fore impact on other cases. There were, as I recall, there are pending arms shipment cases in a number of districts around the country and he was just concerned that whatever legal conclusions or factual development, I guess I think the legal conclusions OLC was reaching were they were aware of.

Q When you say Mr. Weld mentioned the AG should have others involved, did he mention the Criminal Division?

A No, I don't believe this was -- this referred to getting the Criminal Division involved. I think it just referred to generic comment that there are others that need to be involved, the department needs to look at these legal questions.

I guess he was not aware that OLC had been tasked to do that, which is what the Bolton note indicates.

Q Did he indicate in any way concern with the Attorney General acting as fact finder?

A I don't recall anything along those lines, no. I think I would have -- I don't have any specific, clear recollection of this meeting, but I think something like that I would have noted in my notes because this was what makes me think the AG was not present because I wrote a note here on the margin, AG, with an arrow and star.

That star circled for me is an action notice which hopefully I follow up on. That means to me that I need to tell Meese about this conversation or this suggestion and I think if there had been a concern raised by the AG that is the kind of thing I specifically would have written down.

Q Was there any other discussion other than Mr. Bolton's reply to Mr. Weld's comment?

A I don't recall any.

Q Since you indicated with a star it should be

UNCLASSIFIED SECRET

followed up, did you follow up on that?

A I don't recall doing that or not.

Q Did you tell the Attorney General about this comment when he did return on the 21st?

A I don't recall whether -- I don't have any recollection of doing that or not doing that.

Q Did you tell him at any time?

A I don't recall. I just have no recollection of such a conversation. I mean, I was not, I may have or I may not have, I just don't recall, but this notation means that this is something I think I should tell Meese about. This is not a tasking to me out of the meeting that I have action on Weld's behavior to inform Meese. That is what I try to do. This kind of notation would not indicate that I have been tasked to take this and be assured that it is done.

Q Did anyone inform the Attorney General of Mr. Weld's comments in your presence?

A I don't recall whether they did or not. This reference to things like this New York case, where there is an arms shipment prosecution underway and --

Q Well, let's get specific when you say this. Are you referring to his last --

A This last entry.

Q Criminal Division needs to be informed?

A For impact on other cases.

Q That refers to the New York case?

A Yes, that is what I believe.

Q The first reference, however, to the Iranian arms shipments?

A Yes.

Q I wanted to be clear.

Now, when that meeting broke up, do you recall whether or not this subject was discussed with anyone informally or as the meeting was breaking up?

A I don't recall.

Q Do you know whether or not the Criminal Division prepared any research papers or materials or memoranda on the Iranian arms sales, the U.S. initiatives?

A Well, I have been told that they did and I saw such a memo this week for the first time. I don't think I knew until the last few weeks that they did. But apparently such a memo was prepared, either over the course of this weekend or this weekend in November of '86.

Q Who brought it to your attention that the Criminal Division had prepared a memo?

A I don't recall.

Q Did Mr. Weld?

A I don't think so. It might have been Cooper or Bolton, but I don't recall.

Q Do you know where they received the information that a memo had been prepared?

A No.

Q Moving along then to when the Attorney General returned the morning of the 21st, when he first returned, did you meet with him?

A I don't recall whether I did or not. I probably did, but I don't recall whether I did.

Q And what can you recall that happened Friday morning, the 21st?

A I believe that he went over to see the President late morning, and I recall that we got together for lunch -- Cooper, Reynolds, Meese. I am not sure if Bolton was there, but he may have been, and myself. And he told us how we were, what the President had asked him to do and how we were going to be spending the next couple of days.

Q Well, prior to the Attorney General's going to see the President, were you aware he was going to see the President?

A I probably was, yes.

Q What did you know prior to that meeting taking place, what did you understand was the purpose of that meeting?

A I don't think I knew the purpose.

Q Well, you knew the Attorney General had cut short his trip.

A I surmised things, but I don't think he told me what he was doing. I knew he was going over to the White House.

Q You didn't know why?

A No. I assumed it was to discuss the topic of special interest, which was the Iranian initiative. But I don't recall whether I knew what problems there were or not. There may have been a Friday morning meeting that I attended. I just don't have any recollection of it now. There may have been a note or something that would refresh but I don't recall.

Q When the Attorney General returned from his meeting with the President, what did he tell you about that meeting?

A Well, as best I recall, over the course of lunch, he said that the President had asked him to conduct a fact finding inquiry to try to determine what had transpired in this Iranian initiative, that there seemed to be different recollections of what had happened and that it didn't seem that anyone was in a position or did know the full set of facts, and there was going to be a NSPG meeting on Monday and that the President had asked Meese to try to look into the matter and see if he could put together a factual picture on what had occurred.

When he saw the President's news conference

Wednesday night he was concerned because I think the statement about not, no third countries being involved, I think he was concerned about the performance of the President and inaccurate statements being made, and he was concerned that he had not been properly briefed or informed, and I gathered from the lunch there had been a discussion, the meeting the day before had resulted in the viewpoint that their people didn't seem to know what was going on, and that the President didn't have a complete picture of the facts.

Q When did he tell you that he was concerned about the President's remarks at the President's press conference?

A I don't recall specifically. I don't know that it was -- it was a poor performance in the press conference, there seemed to be -- this is my own impression -- the President seemed to be unsure about some of the facts, seemed not to understand that question. A correction was issued and Meese, I don't think we got into detail, but I think that as I recall, he shared that impression.

Q But do you recall when he shared that impression?

A No.

Q Did the Attorney General indicate to you when he met with the President, in what capacity he was setting forth on this fact finding inquiry?

A I just don't recall. I don't recall that. I don't think so.

Q I guess my question is did he explain why it was that he, Ed Meese, Attorney General, was going to be tasked with finding the facts as opposed to a Don Regan or Mr. Wallison or Secretary of State Shultz or someone else in the Administration?

A I don't think he explained to us where the President wanted this done. I think he told us we were going to do this. It didn't seem odd to me, so I didn't ask about it.

Q Did he explain whether or not it was the President that tasked him with this or whether he asked to be able to do it?

A He did not state which of those was the case. He just said the President wanted him to do this or had asked him to do this.

Q During that, I guess you met for lunch that day?

A Yes sir.

Q Do you recall who else was present?

A I recall Meese and Reynolds, Cooper, Richardson, I think Bolton may have been present, but I am not sure. I know Bolton was present at a simular lunch the day before.

Q On the 20th?

A Yes.

Q Was part of this discussion at lunch surrounding Mr. Casey's testimony?

Take 2

T. .AS:mhl
fls myself

A Part of the discussion, certainly. It certainly involved that, but we didn't have the testimony. It wasn't a session to go over the testimony as I recall. I think the two -- again, I had not made myself intimately familiar with the facts in that sort of thing at this point, but I, as you recall, Cooper was reviewing some of the applicable legal requirements, and Bolton was updating him on events that were underway with the Hill, and I don't think that the testimony was passed around and gone over, but I think it was, certainly it was in the context of Casey going up the next day.

I think Bolton might have been at this lunch Friday because at some point he debriefed us on, he sat in on some testimony and took some notes, I think at some point he debriefed ~~Meese~~ on what had happened.

Q Do you recall when he did that, what his statement was regarding what Casey had told Congress regarding the November 1985 Hawks?

A No, I don't recall that.

Q Now, as far as the lunch on Friday, can you tell us what was discussed?

A Well, as best I recall, he explained that we were going to be engaged in this fact finding inquiry, he discussed who should be, who he should meet with and interview. I think he put together a list. He asked if we could make, if our schedules were clear and that sort of thing, and that is all

UNCLASSIFIED

I specifically recall.

When we got together over the course of the weekend the small team we would review the state of play, what do we know so far, what seems to have now -- these are the state of facts as we know them thus far. That may have happened, but I don't specifically recall that happened or not.

Q Was there a discussion at that meeting of who was to comprise the team?

A I don't reclal any specific discussion about it, no.

Q Was there any discussion of excluding anyone from the inquiry?

A I don't recall any discussion about that either.

Q In other words, did the Attorney General make any statement as to I pick you folks to do this because, or give you any reasons for why these particular people were brought together for an inquiry?

A No, I don't think so. I don't recall any.

Q Was there another meeting bout 2:00-2:30 that day?

A I don't have any separate recollection of it. There may -- I also -- while you mentioned that, I think it was at lunch he told me I should keep a log of the meetings, of his schedule of the course of the weekend, what meetings were held and how long they went and who was there. So there may be a note that indicates there was such a meeting, but I don't recall it.

Q Why were you to keep this log of scheduled meetings?

A He didn't explain why. I assume so we would know who we talked to and what order and for how long. I am not sure, I think it was probably at lunch, but at this point, lunch or 2:00 or 2:30 meeting, he basically -- the tasks were assigned,that Meese would be the primary interviewer, Cooper would be with him and would take notes.

This may have been right before the McFarland interview, I am not sure of the time. He wanted me to keep a log of events, what was done, when. I think Saturday morning I learned that.

Friday night when I went home for -- I asked for the copy of chronology we had, so I could write and try to become familiar with the facts, and I think Saturday morning, he determined to send Brad and me over to look at documents. So he was sort of deciding who would do what and making a list of people that should be interviewed, that sort of thing. I think that was the nature generally of what was going on at that point.

Q I gather Mr. Cribb was out of town at this point?

A Yes.

Q On this weekend?

UNCLASSIFIED

Q On this weekend?

A Yes sir.

Q Was there any discussion of bringing him back to help out?

A I don't think so. He would hate to interrupt anybody's vacation anyway. I don't think that was discussed.

Q Was there any discussion at this point Friday either at noon or if there was a subsequent meeting at 2:00, sometime in early afternoon o Friday, of whether Tow missiles that were the subject of the '85 and '86 transactions, any of them had been redirected to the contras?

A I don't recall anything of that nature. I don't recall anything having to do with the contras coming up in this regard until Brad Reynolds passed me the now famous memo, when were in Ollie North's office.

Q Is that a comment that you think you would have remembered?

A Yes, I think I would have remembered that. The reason I do is because when I was going through documents there was mention in some of Ollie's files of sending some Tows to [redacted] That stuck in my mind like crazy. In fact, I asked him the follow-up question about it in the interview and so I think, I am confident I would have remember~~s~~ed such a comment.

Q Do you recall at what point on Friday it was

UNCLASSIFIED

decided that someone ought to go over and look at the documents at NSC?

A No. My first recollection of that was Saturday morning.

Q As of Friday, you did not know you would be tasked with the next day going to the NSC to look at documents?

A Well, that is right. I don't recall the specifically. It may have been, but I first -- my first recollection of knowing that was Saturday morning.

Q We have heard testimony, of course, from Admiral Poindexter he received a call from the Attorney General around 3 o'clock that afternoon on the 21st, asking him to make documents available. Were you aware of that phone call when it took place?

A I don't -- well, now that you say that, I tend to recall that somewhere in my notes I wrote down a call between Meese and Poindexter that day -- 3:05 or something -- but I recall the entry, I don't recall the subject. It is not -- Brad Reynolds -- I believe I am stating this accurately, recalls, knowing that we would be looking at documents on Friday, but my recollection is I don't recall that. Mine is that it was on Saturday morning.

MS. NAUGHTON: If we can have this marked as Exhibit No. 2.

(Exhibit No. 2 was marked for identification.)

BY MS. NAUGHTON:

Q Exhibit 2 for the record appears to be a handwritten chronology type log. It begins with 20 November, '86. Is this in your hand, Mr. Richardson?

A Yes.

Q And is this the log that you kept that you were describing earlier in your testimony?

A Yes. Although this, I don't think this was contemporaneously kept. It was not. I think I put it together from scrap, from scraps that I think you have as well.

Q All right. So, why don't we mark one of these scraps now.

MS. NAUGHTON: Why don't we mark this number 3?

(EXhibit 3 was marked for identification.)

MS. NAUGHTON: We can mark this as Exhibit 4.

(Exhibit 4 was marked for identification)

MS. NAUGHTON: And this one is 5 and that one is 6.

(Exhibits 5 and 6 were marked for identification.)

MS. NAUGHTON: This one is 7.

(Exhibit 7 was marked for identification.)

BY MS. NAUGHTON:

Q What I have tried to do here, Mr. Richardson, is to put the items which appear to be logs or chronologies together to both refresh your recollection and explain to us what some of your notes might indicate, so feel free to refer to them as we go through them.

You mentioned you collected exhibit number 2 from different scraps of paper?

A Yes.

Q Would one of those scraps of paper be exhibit no. 3, that one that is a two page document that starts off with November 21, 11:30 to 12:15?

A Yes, I believe so.

Q Now, I assume that that note, November 21, 11:30 to 12:30, indicates the meeting that Mr. Meese had with the President, right?

A Well, yes, but I think this -- it doesn't delineate when he saw the President, when he saw Don Regan, or I think he saw Regan before he went in to see the President. I am not sure how long the Regan meeting was. But that is how long he was in meetings at the White House.

Q Did you ask him how long the Regan meeting was?

A I don't think so.

Q Did you ask him how long the meeting with the President was?

A No, I don't recall, no.

Q If you would turn that page over then, the next page of exhibit 3, this starts off 6:25 p.m., AGC, JC, WBR, JR, 21 November, update, Cooper.

A Right.

Q Was this made on the 21st of November?

A I think it was.

Q Can you tell us what this is, what your notes on the piece of paper indicate?

A That entry I think at 6:25 p.m., Meese, Cooper, Reynolds, Richardson, met on the 21st and that Cooper provided an update or -- it might mean we gave Cooper and update. I think it would have been the other way around. Probably that is intended to show update from Cooper.

Then there is an arrow drawn to another circle which says "6:30 add JRB," who is John Bolton --"legislative update. Bolton out at 6:35."

He popped in and told us what was going on up on the Hill. Then there was another arrow to a circle, "Cooper out at 6:45." Which means Cooper left the meeting at 6:45.

Q There is also another arrow saying Bolton, then a star, called NSC. Tell us what that is.

A Okay. Well, what it indicates I think it says call NSC Bolton in hearing. I believe there was a question about our ability to get Bolton into the hearing that day. That entry was probably made -- I think the hearings were Friday, so it would have been made early next day, but I am not certain.

I recall that there was the need to get the NSC to get Bolton the list of people who could attend the hearing.

Q The name Sporkin appears. I assume that is referring to CIA General Counsel Sporkin?

A Yes sir.

Q Was that one of the names to be interviewed?

A I think that is right.

Q And then further down there is VP.

A Office of OFC.

Q And --

A Says John Schmidt, with an arrow to McGinnis.

Q What does that indicate?

A Well, Schmidt is in the Vice President's -- he is the counsel office over there. I am not sure what that means. Probably that Schmidt was to be in touch with McGinnis but I don't recall on what.

Q Was there any discussion of the Vice President's office then on the 21st?

A I don't recall any. What I tend to think this means is that he was appointed contact who might have done some work on some of the legal questions -- Schmidt -- but I don't recall specifically what that is about.

Q What would the connection be of Mr. McGinnis, who I assume is John McGinnis, OLC?

A Yes sir. I don't recall. I can only speculate that Schmidt may have worked on some legal question that McGinnis was going to get up to speed on, or maybe Schmidt -- at some point, Chuck was trying to get John McGinnis to go over to review some materials at either [redacted] I don't know if Schmidt was involved in g[illegible] him access to that. I don't have any recollection of [illegible].

Q And the other names that appeared -- Shultz, Casey and Weinberger.

A Right.

Q I assume those would be names of people to interview during the weekend?

A Probably.

Q Can you tell us why it was that Bill Casey was not interviewed that weekend?

A I know the Attorney General did talk to him on Saturday.

Q Was that an interview?

A I don't know how you would -- how you would phrase it. I was not present.

Q Well, to your knowledge, then, was Mr. Casey interviewed that weekend?

A I know the Attorney General met with Casey Saturday evening. I don't know how to characterize it, because I am not familiar with the details of the discussion. I would say, yes, he was interviewed and information was, that he was

UNCLASSIFIED

asked some questions about this to add to the information, but I don't know that -- that was my assumption.

Q When the Attorney General reported back, did he tell you that he had asked Mr. Casey if he knew there had been a diversion of funds to the contras?

A No.

Q Did he report back that he had asked Mr. Casey about November '85 Hawk shipments?

A I don't recall. I think he would have said something like, Bill doesn't remember this or doesn't think this happened. That is the context in which it might have come up. But I don't remember anything specifically that Casey added or that Meese reported on the Casey meeting. I don't recall knowing that he was going to see Bill Casey on his way home.

Q But as far as those two subjects which I mentioned?

A No, the diversion I know he didn't say he asked him about that. I would have remember that. The other, I don't recall.

Q What I want to know though, is when you are planning out these interviews, we have a very short amount of time in which to do this -- was there a discussion as to Mr. Casey, as to whether or not the Attorney General would just meet with him himself or did you plan on interviewing him at a certain place and time?

A Well, as I recall it, something like Meese saying I will see Bill Casey on the way home, so that took care of touching base, interviewing Casey.

Q Do you recall when he said that?

A No, I don't. I only saw him, I saw him at lunch and probably talked to him on the telephone, but I think, I don't think he was -- well, I can't remember if he was at the department after we finished in Ollie North's office, if I went back to the department and Meese was there. I just don't remember. There is probably a note here somewhere that would refresh my recollection. I don't remember when I learned that.

Q When you put Casey's name down on that piece of paper on the 21st of November, was it assumed then that he would be someone who would be interviewed?

A Well, I don't recall if Casey is on Meese's list from lunch.

Q On Friday?

A Yes, that would be the authoritative document, because I don't have any recollection of these notes and they are random notes at the bottom of a piece of paper. It could have just been my thoughts about we need to be sure to touch base with these folks. I just don't have any recollection of that.

Q Now, exhibit 4 is simply a list of meetings and

UNCLASSIFIED

chronology. I don't have questions on that.

Except one. Towards the end of those documents, referring to a meeting with Michael Ledeen on November 14 with the Attorney General. Were you present for that meeting with Mr. Ledeen?

A No. I was supposed to be.

Q Was Mr. Gerson present at that meeting?

A No. Meese had asked me to sit in and the three of us sat down and Ledeen said I would really -- made apologies and said I prefer to talk to you one on one. So I stepped out. They were in there a few minutes, then I came in. Meese told me what the meeting, he said all he wanted to do was say this and he had made and he read to me from entries in a notebook and told me what he had said, which was nothing traumatic, I guess. He said something like he had been involved in the initiative early on, that it was still a viable initiative. That is my recollection of it. Talking about the Iranian initiative.

Q Did he explain what being involved meant?

A No, I took it in a diplomatic sense. He had been involved in establishing the contacts, but I don't recall any explanation of it.

Q Is there any reason Mr. Ledeen wasn't on the list of people to be interviewed?

A No. I don't recall any discussion about it.

Q Exhibit no. 5, which is one dated the 25th of November '86, you said -- I just have one question -- when the Attorney General tells you, apparently at the bottom, regarding a phone call he got from Prime Minister Peres of Israel, saying that they did ship 500 Tows but Attorney General got it wrong in his press conference regarding the accounts to the contras. Did the Attorney General read this to you from a note or were you present at the phone call, or do you recall how you came to put this information on this piece of paper?

A I do not recall. I don't see any references in the note that Meese got it wrong in the press conference, although this may be different from what he understood in the press conference. I guess that is your point.

Q I don't have questions on the remaining exhibits. If we can get back to the 21st.

(Discussion off the record)

BY MS. NAUGHTON:

Q Now, after the early afternoon meeting of the 21st, what did you do?

A The McFarlan~~d~~e interview was under way?

Q Yes.

A I don't remember what I did.

Q Did you meet later to discuss what Mr. McFarland had said?

A   This entry in exhibit 2 indicates that we got together about 6:25, Meese, Cooper, Reynolds, Richardson. That is when Bolton popped in for five minutes. McFarland's interview results were probably discussed at that time although I don't have a specific recollection of it now.

Q   What else was discussed at that 6:25 meeting?

A   I don't remember anything else particularly about it. I do recall coming out of it with the feeling like I ought to get my own copy of the chronology and try to become familiar with the facts.

Q   Did you do that?

A   Yes. I think I took it home Friday night and read it or stayed at the department late and read it. I don't recall which.

Q   Do you know what it is Mr. Reynolds did on Friday afternoon?

A   No.

Q   So, it was not discussed -- please correct me if I am wrong -- on Friday afternoon, about reviewing documents at the National Security Council?

A   I don't recall it, but as I mentioned, I think Brad Reynolds does recall it, but I just don't.

Q   Now, on Saturday morning, did you go straight to the Department of Justice?

A   Yes.

UNCLASSIFIED

Q Do you recall when you arrived?

A Yes, it was in the 9:15 range. I rememeber I got there either just before or just after Brad had walked in to Meese'soffice and Cooper and Meese had just come back from talking with Shultz and Charlie Hill.

Q Did they brief you on that interview?

A Yes.

Q Do you remember what they said about it?

A I don't remember in any detail.

Q Do you remember if you took notes of that?

A No, I don't remember. I doubt I did because Cooper had been in the interview and had taken notes of the actual conversations. So I don't think I did take notes.

Q At that point in time, though, after he briefed you on the Shultz interview, did it come clear in your mind' there was a discrepancy between what Mr. Shultz was saying about the November '85 shipment and what Mr. Casey had testified to, or the draft of Casey's testimony?

In other words, what I am getting at, Mr. Cooper testified publicly regarding that discrepancy and how his investigation began and so forth. Was that clear in your mind prior to the time of reviewing documents at the NSC?

A I don't have a recollection of there being that discrepancy between Casey and Shultz. I do recall that it was unclear what had happened and who had known about it, and who had known about it and authorized the '85 shipments, whatever shipments there were in '85.

My recollection was that there was a difference between McFarlan~~d~~e and Shultz. I am not myself even now intimately familiar with Casey's testimony then and I don't know if Casey's testimony had been based on this same set of facts that McFarlan~~d~~e had put forward. So that the answer to your question might be yes, but I didn't know of it in those terms. I thought the difference was between McFarlan~~d~~e's point of view, and Shultz point of view.

It was clear to me that what had happened in '85 was unclear and who had known about it or endorsed it was unclear. That was the principal area at that point that we were interested in, because of the legal significance of what had happened.

Q So you understood that if those shipments were not authorized there may be a violation of the Arms Export Control Act, or perhaps some other law?

A Yes. I knew legal, knew legal significance would attach to whether they were authorized or not and that we would have to figure out if there had been a violation or if another set of legal justifications would attach -- Presidential, for example, Presidential authority, independent of the statutes.

But that was obviously a worse case scenario,

UNCLASSIFIED

because that would posit a violation of one of the statutes.

Q What would?

A Well, I mean, if one relied exclusively on the President's constitutional authority to conduct foreign policy, for example, that as a justification that was a legal justification that would only, would be a last resort, a last resort, that, in other words, would you rely on the statute first, if the statute had been violated that would put us into a difficult situation. We didn't know if one had been violated or not.

Q When you arrived at the --

A A caveat. Cooper had the main arrow on that. I was a much more of a listener, note taking and trying to find out what happened, so I am not even now intimately familiar with those statutes.

Q When you arrived at the Department of Justice that morning, I gathered at some point the Attorney General told you would be going over to review documents?

A Yes sir.

Q When he told you that, did he tell you what it was you were to look for?

A I believe, yes, I believe yes, I don't recall him, I don't have a specific recollection of him uttering the instructions but I knew when I went over there that our interest was '85, and trying to determine if the U.S.

Government role in the shipments, whether they were authorized, acquiesced in, or otherwise known about, and so I had that clear understanding. I don't remember him actually saying this is what you look for, X,Y,Z, but he might have done it. I don't recall.

Brad and I rode over together and we probably talked about it in the car as well.

Q Did the Attorney General ever discuss with your during this weekend his participation in the '76 finding?

A He probably did, but I don't remember specific conversations about it. I do recall looking through his schedules at some point and trying to determine where he was in '86 and what meetings he might have attended of either the National Security Council or the President or Poindexter.

Q Well, was this subsequent to January '87 that you did this?

A No, I did that over the course of this weekend review.

Q You looked?

A I looked at January '86 schedules over the course of this November '86 weekend.

Q Why was that?

A We wanted to see what, to try to determine the answer to the question you posed -- trying to learn if Meese had been at any of these meetings when they occurred, that sort of thing. His recollection needed to be refreshed in terms of precise dates and times. I am pretty sure I did that over the course of this weekend. It is possible I did it on Monday, but I am pretty sure I did it over the weekend.

Q Did he discuss with you his knowledge or lack of knowledge of the either August or November '85 shipments?

A He did discuss with me his lack of knowledge of the '85 shipments. That is, his lack of knowledge of them at that time and I believe in January. I think he indicated that he learned about them in November of '86.

But he clearly, he did, clearly didn't know about them in '85. That was -- I don't remember him uttering the words again, but I have clear recollection that he was unaware. What makes me think I might have done this schedule on Monday as opposed to earlier is because, when North indicated in our interview with him that there was early December meeting and I went back to see if Meese had attended, and he had -- he was out of the country at the time so it well could have been Monday.

Q But I guess my question is did the Attorney General say he never learned of the '85 shipments until November '86 or until Jaauary '86 when he learned of the Iranian issue?

A I have trouble separating out when he told me, because I know he did not, he has told me recently, and I can't remember how far back dating back to November of '86 -- this had been, he had told me this, but he has told me that he did not, does not recall learning about the '85 shipments until November of '86 and that the January '86 was the first time he learned about the initiative, the Iran initiative, which involved these arms shipments and that his knowledge of that in '86 was prospective.

Q Did he tell you after Mr. Cooper's testimony?

A He did tell me afterward, but he may have also told me that before. I believe he did. I am pretty sure that over the course of this -- I have trouble giving a sort of photo snapshot in time back to November of '86 and remembering certain things like this when I learned them, at what time, but I feel pretty sure over the course of that four or five day period, Meese was operating in the dark, as if we had no personal knowledge of the '85 shipments that was clear to us.

I don't know when he told me that but --

Q Let's go from that angle. An important question is whether or not the '85 shipments were authorized?

A Yes.

Q Correct?

A Yes.

Q As a matter of usual course, the Attorney General would review findings, for instance?

UNCLASSIFIED

A That is not -- he reviews some findings, he does not review all findings.

Q Which ones has he not reviewed?

A Well, I don't know. The ones we don't see we are not sure about.

Q Exactly how would you know he doesn't see very finding?

A We made an inquiry recently of our office. When he reviews a finding normally it would come from NSC to our Office of Intelligence Policy and review, who would review it for its legality and kick it down to the Attorney General with a memo.

Now, that was done with considerable frequency under Attorney General Smith, and I had a discussion with Mary ~~Laughton~~ Lawton, head of that office. The numbers of findings dropped off under Meese and there are, she recalled one specifically, and there may have been more findings that we found out about after they had been signed by the President and we did not have advance clearance on.

That is conceivable that there are, that a finding is discussed at an NSC meeting and therefore, ~~Laughton~~ Lawton's office would not be involved, but there is not a process in place for the Attorney General to review every Presidential finding.

That is my understanding of it. We try to, but we don't find out about them all the time.

Q And the basis for your statement that you just made is based on conversations with ~~Mrs.~~ Ms Mary ~~Laughton~~ Lauton?

end mhl ms fls

A Yes.

UNCLASSIFIED

#56

X

AS-1

Q Is it based on any research with either the NSC or the CIA?

A Yes, with the NSC.

Q With whom did you speak at the NSC?

A I have staffed that to one of my staff members, Ann ~~Randeau~~ Rondeau, who when we have got -- I got two memos, one indicating the numbers of -- the findings have been signed by the President from the NSC, and another memo from Mary Lawton, a list that indicates departmental review or advice on findings and I compared the two and not all of the things signed by the President were reviewed by the Department and there is at least one that has specifically been in our area, an area of departmental responsibilities we found out about some months after the fact.

Q Did you discuss this one with the Attorney General?

A That one finding?

Q Yes.

A I don't recall, he probably -- he was probably briefed on it, probably Ann Rondeau or Mary Lawton may have seen it done after we learned about it. I don't have a specific recollection of that.

Q I guess what I am getting at is, what you are telling us is there is one finding that you know about from the list given you at NSC.

A Yes.

UNCLASSIFIED

Q That did not go through the Department of Justice procedure for reviewing findings, correct?

A Actually, well, no. There is more than one that did not, but what I am referring to is there is one that we know we missed because we know we missed it, that is, they told us after it was signed, they sent us a copy. There are others of these that we have not received a copy of, but were signed by the President.

Lawton's list would show me things she got a copy of, but didn't know about in advance. The NSC list shows everything signed. There is some on NSC list that aren't on hers.

Q Do you recall how many more on NSC than on her list?

A No, let me think here. Well, I did gross numbers, and I assume that I can reveal these numbers -- but, there were, as I recall, from the NSC list, there are a total of [redacted] findings since 1981 and I don't remember how these numbers divide, but I believe [redacted] were not reviewed by the Department and [redacted] were. This is 1981 through 1987. There were a substantial number, in the half a dozen range, in early 1981 which were not reviewed that may have pre-dated Smith's getting in place. One of these findings which I count amongst those that department review was the January 17, 1986 finding on Iran. That did not show up

~~75~~ 58

ƖS-3

in Mary's record. I don't know if a finding at NSPG or NSC meeting was passed around which the Attorney General would have seen then.

Q That is what I am getting at.

A I don't know those numbers.

Q Sixteen went through Lawton's office, you don't know how many actually were reviewed by the Attorney General.

A That is right. But, I guess the point I am trying to make is there is no -- there was a tug of war, so to speak, when Smith was Attorney General, with the NSC feeling like Justice need not review every finding and the Attorney General feeling like he did and towards -- Mary tells me toward the end of Smith's tenure NSC was beginning to feel like they didn't need to and that Smith -- she told Smith about it and she thinks Smith didn't get into that fight again since he was on the way out and I don't think that right now there is, when I asked Mary this question, do we see every finding, she said, well, we are supposed to, but there is not a process in place by which, for example, there is a concurrence block cover sheet on the findings and Justice has to sign off.

But you are right in indicating that there may -- it is conceivable that there are other findings in the January 17 category that Meese may have seen. She said that, for example, on occasion Casey or someone would come over

-4

and brief Smith orally on a finding and discuss it rather than send it over and she would normally know about that. So that number I haven't been able to determine.

I am aware of North's testimony that the Attorney General reviews every finding so, in fact, that has caused me to determine if that is true.

Q Are you saying Colonel North isn't totally accurate?

A Well, I think his perception was probably that that was done.

Q I guess we were on November 22 in the morning, Saturday morning.

A Yes.

Q That was a major diversion there. The wrong word, but we needed to cover that anyway.

A That is right.

I don't know if it is of interest;when a finding comes over, Lawton reviews it for legality, she sends a memo down, it would come to me. I would review it, ask one of our lawyers to review it, walk it into Meese and I recall in the last year-and-a-half since I have been in this position of pushing paper, two or three, two probable findings that were handled in that way. So, the volume of business that we do in that formal process is small. So I think the numbers of findings that have been signed

~~81~~ 60

S-5

in the last couple of years has declined, as well.

Q To your recollection, were any rejected by the Department of Justice or opposed?

A I think they were. Well, Mary Lawton's notes indicate there are notations such as "advised that a new finding would be necessary", or "revision to a previous finding would be necessary", or that a finding is "premature". I gather because the activity is too far away or that this is insufficient, something like that. So, but, it is difficult to tell if the same thing was -- if more information was gathered and it was later put in place, I don't have this kind of detailed analysis of them.

Q Once that goes forward from the Department, then do you receive a corrected or amended copy of the finding?

A I don't -- well, I am sure we don't always because Mary had indicated to me and she is my source of information on this, I don't think that NSC, I don't think we have copies of the findings because my recollection of my conversation with Mary is that they don't, NSC does not feel comfortable about having copies of findings outside of their files.

We have got Meese, her cover memo to Meese, I recall one specifically more in the last year where he wrote "concur" and initialed on her cover memo which she retained but I don't think she retained the finding.

UNCLASSIFIED

~~22~~ 61

CAS-6

Q You don't necessarily know if your advice is heeded?

A That is correct. Although, Mary may have back and forth with either the CIA general counsel, for example, on or NSC. Just not aware of it.

Q Back to Saturday morning. Do you have, aside from trying to focus on the 1985 shipments, did you have any other discussions as to what document you would be looking for.

A I don't think so. My basic tasking from Meese was to look through everything that they have got on the Iranian initiative and see what you can piece together and see what you find.

Q When did you know that Oliver North was the action officer on the Iran initiative? In other words, prior to this were you aware that his were the files to search and that he would have the most information?

A I am sure I was before I went to the White House.

Q Did you know you would be conducting a document review in his office?

A I probably -- I don't know -- I assumed that the documents were -- I assumed -- I guess I knew that he had most of the documents or at least a substantial volume of documents that we would review.

I also, before I got there, I figured that we would not

UNCLASSIFIED

be sitting in Poindexter's office doing this. It is just -- Meese used to have that suite of offices, I know they are two very small offices, the secretary's and Poindexter, with a conference table and I assumed we would not be in there, so I guess I figured we would be probably somewhere in North's office.

Q Could you tell us then who made the arrangement for you to actually go to the White House.

A As I recall, Cooper. Well, there was a discussion that Brad and I would go to the White House to review documents. Cooper called Paul Thompson, told him Brad Reynolds and I would be coming over, then handed me the phone to talk to Thompson to make arrangements and I gave Thompson our names and I probably got our dates of birth and I don't remember if I parked in the White House, I may have given him my license plate number, then told him where we would meet and we went to the West Wing and met Thompson and then he -- well, with that phone call completed, we got in the car, went on over, went up to the West Wing, met Thompson, he walked us over to North's office in the EOB.

Q Thompson met you in the West Wing?

A Yes. There is a West Wing basement office, which is where I went and asked for Thompson and he came down. I don't recall whether he walked us up to his office first

AS-8

or not, but I don't think so, I think we headed straight on over.

Q Had you met Mr. Thompson before?

A I don't think I had. Although it is possible I had seen him before when I worked in the White House, but I don't think I had met him.

Q Had you met Oliver North before?

A I don't think I had, no.

Q Perhaps we put in the note already. Do either you or Mr. Reynolds drive a Mercedes?

A That is Reynolds.

Q License number then and birthday?

A Yes, sir.

Q And that is what was given to Mr. Thompson to gain admittance to the White House?

A I think that was given in for admittance on Sunday morning because my recollection is I drove my car over to the White House Saturday and Brad ~~road~~ rode with me and Sunday morning we met at the White House, but anyway, that is correct, that is information I got to get him cleared in.

Q Now, when you got to Colonel North's office, were the documents laid out or did you have to retrieve them from shelves and so forth?

A My recollection is that when we got there Earl was there, a number of file drawers were open, ajar, several

UNCLASSIFIED

inches, I don't recall the documents being out on the table, although I am aware of statements that they were, but I don't recall them being out on the table. We explained what we were interested in.

Earl said, well, these are the terrorism files, these are all this and that, and he was pointing at the various file drawers.

We said we want the files on the Iran initiative. Thompson was still there and, as I recall, Earl went behind North's desk and North's desk was in the rather corner of his office facing out and there was sort of an L-shaped along the left, there appeared to be book shelves and seemed to be a book shelf on the left and he went under there and got out a number of what I called "read well" folders, but sort of fiber-board, dark red folders and laid them out on the conference table. We had a brief conversation.

Q Excuse me, Mr. Earl went like around Colonel North's desk?

A Yes.

Q This would have been in the area of where Colonel North would be seated if he were at his desk?

A Yes.

UNCLASSIFIED

Q Please continue.

A And Earl did that. Brad and I primarily talked

-10 with Thompson but Brad had a conversation with Thompson, I chimed in here and there, indicating what, reiterating what documents we wanted to see -- we had already said everything on the initiative in Ollie's possession that was what Earl was tasked to provide. We also asked him for anything that Poindexter had in Poindexter's or Thompson's files.

Thompson responded that they really didn't have anything, that when they had documents, reviewed documents like this, they would send them back to the originating office.

We asked that McFarlane's materials be produced. Thompson said that there really wasn't much McFarlane material left, there may be one box, but he didn't think there was anything in there responsive; we asked him to check and make sure.

We asked him also to make sure he didn't have anything on this subject -- and then I can't -- I don't recall if we asked him to run a search through their formal executive secretary system, I don't recall that. He might have indicated that would not be a real source of information because of the compartmentalized nature of the thing, I don't remember.

Q Could you describe to us the System 4?

A I don't think so.

UNCLASSIFIED

~~85~~ 66

S-11

Q Document collection system?

A I don't think so.

Q If I can skip ahead one minute, I know you went to the White House Tuesday morning, did you learn about the System 4 at that time?

A No, I knew from my previous tour there, I had seen documents that said System 1, 2, 3 and 4. To this day, I don't know what a System 4 document is.

Q So, Mr. Thompson might have said something like it wouldn't be helpful to go through.

A Yes, he may have. For some reason, I was left under the impression that the main -- the formal computerized filing system would not be a source of -- real source of information and I don't know, if the extent to which that was discussed or he said everything in this would be in Ollie's files, it could have been that kind of discussion.

But that does not -- my reaction is that doesn't stand out as a source of documents that we were expecting to receive. It may have been just that he may have indicated that everything in Ollie's files would be the system, whatever is in the system would be a subset of that.

Q Did you ask Mr. Thompson to see a finding?

A I don't think so. I don't think so. I don't recall that.

--- --- ---

.AS-12

Q Did you see a finding?

A Well, I know I saw a finding on Tuesday. I don't think I saw a finding in Ollie North's files although Brad may have, but I don't think I did. I don't recall one. Let me put it that way.

Q I have in my notes of your interview with us on April 15 of 1987, that you recalled Mr. Thompson producing the January 6 finding which has some notes in blue ink on it.

A Yes, that happened Tuesday morning. I don't want to jump out of sequence. On Tuesday morning when we were at the White House, Meese asked me to make sure that a system-wide search was conducted to make certain that no document containing the diversion had gone forward to the President in any form. And when I went in to Thompson's office to ask for that, there were several folders of material on his desk. I said, are these files on this, and he said yes.

I said I would like to go through those, I said. He said, fine. It was in there, I saw that finding.

Q Now I am confused.

A It surprised me, too, because he had said they didn't keep them. That struck me as odd, although not being -- I just have a nodding -- I am not an intelligence professional, although I have do[redacted]ork for that for two years now, it seemed unlikely, but possible, that North,

UNCLASSIFIED

~~88~~ 68

AS-13

if he were reporting directly to Poindexter on this initiative, that North was holding the file that normally would be held by someone in Thompson's position because I have been a staff officer for a while and normally Meese, for example, normally has a working file of active items that he has a couple of things that are at his fingertips that would normally be kept by his personal secretary or by me and that is why we had asked for that material, but he indicated that they didn't have anything of that nature, so I thought it was possible that North had served that function and that Thompson just did not retain paper.

Thompson's office was very small.

Q If we can stay on the same subject, we will have to skip a little bit, but, Mr. Sporkin was interviewed sometime on Saturday.

A I think that is right.

Q Do you remember if it was morning or afternoon?

A I don't recall. I don't recall. Might have been late morning. I was not present and Meese and Cooper did that.

Q At any rate, Mr. Sporkin did mention there was a November 1985 finding, correct, that is your understanding of the interview.

UNCLASSIFIED

A I think that -- I guess that is right. I don't

UNCLASSIFIED SECRET

~~30~~ 69

AS-14

recall that specifically.

Q I guess my question is, when you returned to the White House on Sunday morning to complete your document review, did you ask anybody there to see that finding?

A I don't think so, no. The only person there Sunday was a young fellow who had been in Ollie's office for -- been in his employ for six weeks or so. I don't recall.

Q Jock somebody?

A Yes, a red-headed guy.

Q Do you recall asking Commander Thompson at any point to produce, or if there was a November or December 1985 finding?

A No, I don't think I did.

Q Did he volunteer that there was one?

A No. The first, my first reaction of their being such a finding was from the North interview. I may have heard it mentioned or referred to Saturday or Sunday before that, but I reacll it from the North interview.

Q Do you recall whether Colonel North told you that that finding had been destroyed by Admiral Poindexter?

A He did not say that. I recall that he did not say that.

Q And did Commander Thompson tell you that that finding had been destroyed by Admiral Poindexter?

A He did not say.

UNCLASSIFIED

~~91~~ 70

AS-15

Q Did Admiral Poindexter ever tell you or, to your knowledge, the Attorney General that he had destroyed that December 1985 finding?

A No.

Q Did Commander Thompson then leave you alone with Mr. Reynolds to review the documents, this is Saturday morning the 22nd.

A Thompson left, Earl remained, and I am trying to recall, because I tend to think that Earl was at North's desk for a part of the time and if not the whole time. He might have gone upstairs to his desk. I don't recall. I wrote Brad a note or two while we were sitting at a table because he was in the room and North was in the room when we were there, of course.

Q Why did you write the note?

A Well, I just didn't want to mention anything that would be overheard.

Q Why not?

A One of the notes, I would have to see them, one of the notes concerned Brad's suggestion that we might want to just take all of these documents back to the Department and go through them and I wrote him a note back saying that is probably not a good idea.

I just didn't follow there was any need for them to know the contents of our discussions. Also, didn't want to begin a conversation with North or Earl. As far as I was concerned, I was there to do documents and the interviewing was to be done by Meese.

Q Well, Mr. McGinnis went to the CIA to conduct interviews, correct?

A I know that to be the case now. I don't know when I knew that. I knew I was not there to interview anybody at the NSC.

Q I am going to ask that this be marked as the next exhibit in order.

(Exhibit No. 8 was marked for identification.)

BY MS. NAUGHTON:

Q I am showing you what has been marked as Exhibit number 8. I gather that these are notes that you took while reviewing the documents on Saturday at the NSC; is that correct?

A Yes. Let me flip through here.

Q Directing your attention to the last two pages that you are looking at, are those the notes that you wrote?

A Yes.

Q To and from Mr. Reynolds?

A Yes, sir. They are the second and third pages from the end. This one, the last page, I am not really -- I guess this looks like the last page, looks like notes I took over there on Sunday, but I am not certain about it.

S-17

Q Could you please read those two brief notes into the record and tell us which is "to" and which is "from"?

A Okay. The first note, it is the third page from the end, "are we going possibly to be open to attack if we take custody out of NSC of these documents? E.g., if anything, should turn out to be missing?"

Q And "should" is underlined.

A Yes.

Q Is that your note, Tom?

A That is my note to Reynolds.

Q What was his response?

A I think he shrugged, I think he just shrugged and agreed that we wouldn't take -- he had suggested it would be easier to if he just took all this over to Justice and I -- this was a large volume of material and I was not comfortable taking them out of the office where they were produced because if we had misplaced a document or something like that and it turned out to be an important one, we would, just having gone through the move, I was worried about our being subject to criticism for there being a missing document.

UNCLASSIFIED

Q And the next?

A This did not contemplate in my mind that documents were being destroyed. It was in the other direction. I didn't know if everything had been produced to us, that is

UNCLASSIFIED

SECRET

73

94

.S-18

what that was about. The next one? This is the second page from the end, "we could use night to catch up with Chuck and I can come here early in a.m. to finish this. Then meet you guys later in the day."

end 2X

UNCLASSIFIED

56 74

#2A

mas 1

Q Now, the first note that you passed to him, was that in the morning?

A This was probably pre-lunch, yes. And the second note was probably after lunch when Ollie was in the office.

Q So, when Mr. Reynolds found the famous diversion memo, for lack of any other name for it, that was prior to Colonel North coming to the office, is that correct?

A Yes. I think it was after this note but I believe this note about taking custody of the documents was pretty early in the search.

Q Could you tell us what you recall about that event, that is.

A The diversion memo?

Q Yes.

A He either kicked me under the table or something and we were sitting across from each other about the same distance you and I are now, just a foot or two, and he passed it over, directed me to at the top paragraph and had an expression of this was a surprising entry. So I read it and I gave a similar look back and I think I probably said something like that didn't happen or something along those lines, that's hard to believe that had happened and passed it back to him and then that was it, we did not discuss it at the time and I don't think Earl

57 7

m2

noticed anything particular about it. Every once in a while I was going through some documents I would point out something to him, that sort of thing.

But that was clearly the most interesting document we had seen. I should add my statement was based partly on the fact on page 1 of the document there was a handwritten correction and that sort of thing. My first impression was this is too spectacular to think it happened and there is no reason to believe this is a final document so that sort of incredulity was my reaction.

Q Do you recall if you had seen any other versions of that?

A I did not. That referred to the contra diversion?

Q No, any other version of that, version of that memo.

A There were other memos that discussed the initiative but I don't recall anything that looked like a version of that.

Q Do you recall any other memos that mentioned diversion?

A No.

Q Do you happen to know where that memo was in terms of the other documents around it, in what file?

A No; Brad found it and I just don't know. I think m3

it was in '86 material because before lunch Earl had not produced '85 files and in fact when we were leaving we passed North in the hall and we told him that there weren't any '85 files, he expressed surprise and said I will get them out for you. So it was in '86 material but I don't remember which files.

Q Do you recall when you were first shown the material by Commander Thompson? Do you recall any files in North's office regarding the Nicaragua resistance or Central America?

A I did not see any. I don't recall -- it's conceivable that Earl said these are all the files having to do with the freedom fighters but I don't recall that. He did say these are terrorist files, this is a hostage file. We said we want everything on the Iranian initiative and because they pulled open one drawer and said these are all the reports from the hostage [redacted], and that had to deal with where they were and we said we weren't interested in that. I don't think we discussed or saw any files concerning that.

(Short recess.)

BY MS. NAUGHTON:

Q Okay, back on the record.

Do you recall how soon it was after the diversion memo was found that you folks broke and went to

~~58~~ 7

m4

lunch?

A No. I don't remember precisely. I think there was a substantial period of time after it was found before we went to lunch.

Q Do you recall about what time you went to lunch?

A Just from the note that I saw a minute ago, it was Exhibit 2, which indicated 1:45 to 3:15. I do recall it a late lunch, this wasn't noontime.

Q Could you tell, describe for us of the documents that you wanted set aside or copies or somehow preserved, for you, could you tell us how you did that procedure, how you work that out?

A Well, as I recall, Brad was, I may have done this, too, but I know he was using paperclips to mark them. I tended to think I took over with me, but I may not, I may have been using paperclips, I tend to use those yellow stickums, they were marked one way or the other.

Q Were they put in a separate pile?

A I am not sure.

Q At any rate?

A This may have been turned sideways in the same pile they were somehow delineated.

Q The ones that you wanted to copy?

A Yes, sir.

Q Was this done, do you know, with the diversion memo?

A I din't know. I am not sure what Brad did with it.

Q Were any documents copied for you before you left for lunch?

A No.

Q But I gather you had set aside some documents for copying by them.

A Well, yes, we had marked some documents as being ones we wanted to keep with us, take with us copies.

Q And when you left was Colonel Earl still there?

A Yes, sir.

Q Do you recall that morning what discussion you had with Colonel Earl, if any? I know you said you didn't want to interview him. Did he make any comment?

A I don't think he made any comments. He may have said something like let me know if I can get you anything or be of assistance, but that was, other than I think he indicated pointed out which documents were in which files and produced the things behind North's desk, that is it.

Q Did he participate in any conversations on the telephone or otherwise in your presence that you overheard?

A I don't think so. I don't recall any.

AS-1 He did have a conversation with Thompson.
2B Thompson asked him if he knew where Ollie was and Earl said I have been trying to reach him, but I think he is due in soon, or something like that.

Other than that, I don't recall any conversation and I don't recall him taking any phone calls. Mr. Thompson came in later in the morning asking for Colonel Earl, that was when we arrived. I missed that earlier.

Q Do you know whether or not Commander Thompson left after escorting you to Colonel North's office.

A He left North's office, I don't know what he did.

Q Did you see him later that day?

A I don't remember. I don't recall seeing him again that day, or Sunday, for that matter, but I may have.

Q This is Thompson?

A Yes, Thompson.

Q What about Craig Coy, was he around that weekend?

A No.

Q What about Admiral Poindexter? I gather you didn't see him.

A No, I didn't see him. I got the impression -- well, no, in fact, I guess it is more impression, North talked to Poindexter. That is the impression I got when North was there.

Q That was in the afternoon?

UNCLASSIFIED

AS-2

A Yes.

Q Do you recall what he said to Poindexter?

A I don't think so. Let me see. I made a couple of notes at the bottom of one of these. No. I am not sure, my recollection is after that North had a conversation with -- he had a conversation with an Israeli. I think he then had a conversation with Poindexter. I don't recall.

I think he called over and said, is he still there or something like that. Then he talked to someone. I gathered it was Poindexter, but I don't know if he said that was Poindexter.

Q When you and Mr. Reynolds left for lunch, did you tell Colonel Earl you were going to lunch?

A Yes.

Q Did you tell him you were going outside the White House complex?

A Probably. Meese had called and said he wanted us to meet him at Old Ebbitt. I probably told Brad that in Earl's presence. We may have said we will be back in about an hour or something like that. I don't recall. You can't eat in the White House, there are some machines in the basement of EOB, but you can't eat in the White House mess unless you are a member. I think he would have known that we were not going to eat in the White House.

Q Was Alton Keel at the NSC on Saturday?

UNCLASSIFIED SECRET

63

8,

AS-3

A I don't know.

Q And did Colonel Earl mention what his lunch plans were?

A No. I don't think so.

Q As I gather, as you were leaving to go to lunch, you met Colonel North; is that correct?

A Yes.

Q And how did you know it was Colonel North?

A I don't know. I guess Brad and I came out of his office and we had walked probably five steps and I believe he said something like where are you guys going or something like that as a greeting and I don't know if Brad had met him before, but I had not, and introduced myself.

I think Brad introduced himself, too, now that I think about it.

Q Then my question, how did you know that was Colonel North?

A I guess he assumed that the two guys leaving his office were the Justice guys and he introduced himself, as I recall.

Q Did you tell him you were going to lunch?

A Probably did. He said where are you guys going, have I missed it, or something like that, and we said, we probably said we were going out and have a bite of lunch,

UNCLASSIFIED

S-4 then we would be back shortly.

I don't remember precisely.

Q Did he volunteer at that time to be interviewed?

A No, that was later.

Q Was there anything else said in that brief meeting?

A Brad told him, yes, Brad told him we had not seen the 1985 material and that we wanted to see that when we got back from lunch. What we were looking at was 1986 material.

Q What did North say?

A He said something like, oh, that should have been in what you were given. I will be sure that you have got it or I will find it, something to that effect.

Q Was that produced by the time you came back?

A Yes. I don't remember if it was on the table or if he -- I think it was -- he had pulled it out and he said this is the 1985 stuff.

Q Along those lines, in your document review of 1986 materials, you saw what we know now as PROF notes; is that correct?

A I don't know. I may have. Now, I don't think since the name PROF note had been attached, I don't think I have gone back and looked at one.

Q Do you know whether or not either you or Mr. Reynolds discussed with Colonel North whether he had PROF notes from 1985.

~~55~~ 8

:AS-5

A I don't think so. I don't recall any such discussion.

Q Can you tell us what happened when you got to Old Ebbitt?

A Well, Meese and Cooper were already there, as I recall. They seated us shortly, and I think Meese began by saying, all right, let's see where we stand and he and Cooper reported on what they had been doing and I don't remember independently what it was. Let me see if this -- I don't have an entry on my notes on Exhibit 2. But it may have been the Sporkin interview that may have been after lunch, I don't know, but they reviewed the state of knowledge based on what they had learned and he said, well, have you guys learned anything new, and I think we -- I told him I had been looking through [redacted] told him one of two things that seemed to be of interest from those and Brad did the same thing, and Brad said, oh, we found another document which seems to indicate that funds might have gone from this transaction to the contras, and I mean Meese expressed great surprise. He visibly said something like, oh, a curse word, and sort of squinted his eyes and that sort of thing, and we said something like we haven't found -- Brad indicated we haven't found anything else to indicate that happened, and Meese said, be sure you bring a copy of that out when you come, and we said, we are marking things

S-6

to copy, and I think that was it on that front.

Cooper may have said, there may have been comment like if this happened, we have got a major problem, but that was sort of obvious. But it was very, very much -- the context of the information was very much incredible prospect and clearly uncertain whether this had occurred or not.

Q Was it discussed, the fact that Oliver North himself had the Central America account? Did you put those two things together?

A No, I don't think so. I don't recall that, but I don't think it was.

Although I am sure -- I may have known that and the AG, I guess, he would have known that. I think I may have known that because of when these matters have come up before, Ray Duon, our staff who handles that sort of thing might have said Ollie North handled this business.

So it may have been just a piece of knowledge that we had, it wasn't openly discussed.

Q Now, just for the record, so we get a couple things straight, I gather at that luncheon you did not have copies of the memo with you.

A That is correct.

Q What else did you discuss after mentioning the diversion memo and what you just related, what other subjects were discussed.

A Well, I think that the major things of interest still focused on what was going on in 1985 and who did what, whether this was authorized, et cetera. I don't remember with any specificity what the contents of that discussion was, but I recall that we, the diversion discussion, was about what I have recounted, the basic information and there may have been some statement that this will be a -- this obviously is a major problem, if this has happened, we need to find out if it has happened. There may have been a mention that we -- North would be interviewed -- at the bottom of this in the North interviews, something like that. That was it on the diversion business and the rest was spent talking about the arms initiatives and Chuck, for example, he might have -- there were other things going on like McGinnis having gone through [redacted] and I don't know if he was at CIA that day, but Chuck having some point -- Chuck and Meese, I think, split up and did some different things. So I am not sure what was precisely we talked about, but it was other things.

Q How did you know that North had authored the diversion memo?

UNCLASSIFIED

A We didn't.

Q Why did you feel you should interview him?

A He was going to be interviewed anyway. This was

58

8

found in his files and so the most likely person to have knowledge about it was him out of the pool we had identified thus far.

Q Was there a discussion at this point that Poindexter should be interviewed?

A I don't recall that.

Q How about whether Casey should be interviewed?

A I don't recall there being a discussion about adding anyone to the list or subtracting anyone from the list or targetting the interviewing any differently other than our having a clear understanding that this would be something to question North about.

Q Was it decided whether to question anyone else about it?

A It wasn't discussed in that context. We didn't say, okay, now about the diversion, who do we question. It was something found in a document that might or might not have happened, next step to finding it out, get a copy of it and ask North about it in his interview the next day. That is as far as it went in terms of that point.

Q Was it discussed whether it shouldn't be mentioned to people who were going to be interviewed?

A No, I don't think so. I mean, it was clear that we weren't going to say anything about any of this to anybody outside of our group of four. I don't recall that being

69

8'

reiterated, but that was a very -- that was very clearly understood. Meese might have reiterated it. I know at the beginning of the weekend, it was made clear that -- we, three of us, were going to work in support of Meese's fact-finding inquiry, we were to talk to each other and obviously -- I mean the potential significance of this bit of information was not lost as a major development in this fact-finding question.

Primarily for -- at this point it was a factual bomb shell and whether it could possibly have occurred or not, these are obviously to the President's two major and independently controversial initiatives and so that was not lost on anyone, there was no substantive discussion of it at this point because we didn't know if this was just a plan or a possible way to go or if it actually happened.

As just in percentage of conversation at lunch, this was a small percentage, five minutes or less. Probably five minutes. It grew in time over the course of the next several days.

end 2B

UNCLASSIFIED

SECRET

~~20~~

Bob Thomas

Q When you went back then to the NSC, was North in his office?

A I think he was, yes, I think he was.

Q That would be at what, 3:00 probably, in the 3:30 range, 3:15 you said.

A That is probably right, when we probably left lunch at 3:15. It was in that neighborhood there.

Q Did Colonel North mention to you where or with whom he had had lunch?

A No.

Q When you did get back to the NSC, did you know whether or not any of the documents that you had set aside for copying had been disturbed in any way?

A No, everything, everything looked as we had left it.

Q One more question about the lunch, was it discussed at lunch or even generally on the way over to the NSC that something should be done to secure the documents?

A Well, we discussed getting copies of the documents.

Q But was there any discussion of securing them?

A Any what--

Q Being sure they weren't destroyed.

A No. There was no reason to believe that they would be or that they had been for that matter.

Q Was Colonel North at his desk when you returned?

A Well you have to be,--to get into that office you

UNCLASSIFIED

LK-2 have to be let in because there is a vault on the door. He, as I recall, I think he let us in. We rang the visitor's button and he went to his desk and we went to the conference table.

Q I trust that you began to up your interview of documents?

A Yes. Earl was still there by the way. We asked him, we told him we wanted to make copies of some of the documents. He said fine. He said, do you know which ones? Do you have some you know you want right now? We'll help copy them. Yes, these we know we want. He and Earl helped copy what we had up to that point. When that was done--

Q Colonel North and Colonel Earl helped you?

A Yes, that is my recollection. Then after we had copied that group, I took over all the xeroxing from that point on. Earl left at some point fairly soon thereafter and North took a portion back behind his desk.

A So do you recall was it you or who copied the diversion memo or would it have been Earl and North?

A I don't recall who copied it.

Q Well, did they copy everything that you had set aside that morning?

A I think so. What I don't know if Brad held out the diversion memo and then gave that to me to copy. I don't recall when, who actually copied that memo.

UNCLASSIFIED SECRET

Q Now, I had one question of your notes here of the documents that you had reviewed. You reference As underlined. Is that a person?

A I think it looks like it is, yes. In entry number 1, there is the word beginning with capital A and then the rest of it is blacked out, and K, and the rest of that is blacked out. So, I probably was using the initials not wanting to write down the names because there seems to be, there is an aside and a quote, it is probably some individual. These are, I think, notes [redacted]

Q Do you recall who that could have been?

A No, if I looked at [redacted] I could tell you but--does the name [redacted] ring a bell? That sticks in my mind for some reason. I don't know who it was. It was someone in [redacted]

Q Okay.

A I gather there was a [redacted] person too, but I don't know. After awhile I stopped taking notes on each document because it became too time-consuming.

Q Now, if we could sort of take the rest of your documents and review a couple. I gather you didn't come across any other documents mentioning diversion of the monies to the contras?

UNCLASSIFIED

A That is right.

Q Did you find any document which indicated that the

25

9

STK-4

November 1985 Hawk shipment was authorized?

A Yes, well the document that contained the reference to the diversion, I believe, the second paragraph it said something like the U.S. Government endorsed the September 1985 shipment and that I specifically recall that one. Meese, in fact, that was the principal angle of questioning that Meese used on North when he showed him the diversion memo at first. I specifically recall that. I don't, I tend to recall that there was reference in, maybe, in [redacted] the September 1985 shipment being connected to actions on the part of the United States but that is a fuzzy recollection. Nothing else specifically stands out in my mind at this time, but there may have been back then.

Q And of the comment regarding the Hawk shipment being endorsed by the U.S., did you discuss that particular provision at the luncheon you had?

A Well, that was actually the September shipment. I think those were TOWs.

But I don't think we did discuss that at lunch. I don't recall but this is surmising because I had read only the diversion section of that memo I think. I might have looked at this section. We got the copy of this memo at the end of the day and I know we went over it in great detail with Meese before the North interview. We probably didn't go --didn't go over it in that much detail, although Brad might

9.

SLK-5

have mentioned it was in there, I don't recall. I know there was a discussion about it on Sunday afternoon before North's interview.

Q During your document review on Saturday afternoon, can you try to recall, please, everything that North had to say to you?

A Okay.

Well, I recall that he had a conversation, that is in the note that made in Exhibit 8 at the bottom--Iguess I will count the pages--bottom of page 7 I have written a G in a circle, drawn a line across the bottom, received call from Israeli code talk nephew and then a swiggle line said lots came out, lots not, mos sens, not so still talking. Then that was referred to a North call that he had with someone that I could tell was an Israeli because he said, did you see, he referred to an article in the New York Times that day or the day before that mentioned Kimche, he mentioned this article in the New York Times to this gentleman on the telephone. He said things like your government, everyone in your government and my government is overreacting or panicking or something like that. The code talk and nephew, he mentioned a nephew, the code talks you don't remember if that I ran across the code which had a key for names and that sort of thing, I don't remember if he was using something like that, but he mentioned Beethoven and composers, I think he might

UNCLASSIFIED SECRET

9.

25

SLK-6

have told us that Poindexter was Beethoven or I saw that, I remember that.

But he told him that a lot had come out about this initiative already but a lot hasn't, that the most sensitive things have not come out. I think that is what my note means here so they are still talking.

There was another, second note I have got, Bremer mentioned phone call. I am not sure what that is about.

He didn't--I just don't remember what that is about. He mentioned the Ambassador on phone call but I can't remember more about it. I think, the only other recollection I have got is that he placed a call which I thought was back to the West Wing and asked for Poindexter after he talked to the Israeli. He left the room one time to make a pot of coffee. He offered us coffee, and I followed him out of the room, went back while he made coffee. We talked about Marine coffee and how bad it was and that his wasn't much better, that sort of thing--and he came over and, this is over the course of the three hours, I don't remember the sequence, but came over at one point, sat down, and said, all right shoot, let me know I'm ready to take your questions or I guess you are ready to ask them, something like that. We explained that we were just the workers who were going to go through some of the documents and that the AG would ask him some questions tomorrow.

UNCLASSIFIED

TOP SECRET

TOP SECRET
UNCLASSIFIED

SLK-7

And, at some point there was a telephone call from Meese and my recollection is that Meese talked to me about setting up the time with North, he said, could you see if I could do it in the afternoon instead of the morning because that is church time with the family, we go to Roy Rogers afterward, that sort of thing. That could have been a direct conversation, but I think I was the person who talked to Meese, then talked to North.

Q Hold on for a second, was it a case of the Attorney General placing the call, putting him on hold while he talked to North and then speaking to him, or did you place another call to the Attorney General?

A I don't remember.

End
SLK

UNCLASSIFIED
TOP SECRET

A I tend to think I put the AG on hold and asked him, but I just don't recall specifically. I mean, it is possible also that the AG called and said, "Let me talk to--put Ollie on," and that I overheard Ollie saying, "Well, could I come in the afternoon." I mean I could be wrong on that; but that's just my recollection.

At another point, he said something like--you mean he was passing the time of day and he said something to the effect that there aren't that many poeple around the government who are at work at this hour like us that are working these extra hours and that sort of thing. He may have said something--I know at some point he talked about the initiative and the purpose of it. He said people don't understand what it is all about, but this was a broad-based initiative or something, more of the diplomatic reasons. And he also--I just remembered one thing and it slipped through my mind.

Q How about his remark of being a fall guy?

A Yes. He didn't use that phrase, as I recall, but he did say something to the effect that--I mean, he was very friendly and outgoing and--I mean he gave the appearance of being relaxed. But he said something like well, I'm not worried, in six weeks I'll be commanding a Marine battalion of infantry troops, or something to that effect, that I won't be--he knew he would not be long for this job, something to that effect.

SLK-2

Q Anything that you can recall?

A The last thing I recall--I'm trying to think if there's anything in the office. I know when we were leaving, we walked out with him from the building into the parking lot, and walked Ollie--Ollie got into his car, just like, as I recall, just like a red and white wagon, a Bronco; and Brad and he were talking about their daughters' mutual interest in horseriding and the strain that put on parents. I think that's about it. I don't think there's anything--nothing else I recall.

Q Did he mention to you that he had consulted with an attorney, or that he had an attorney?

A I do not recall him saying anything to that effect.

Q Did he say that anyone had advised him to obtain an attorney?

A No. I don't recall anything about that.

Q Did he ask either you or Mr. Reynolds whether or not you thought he should have an attorney?

A I don't think so. I don't recall that, and I don't think he did.

Q Did--

A These are the kinds of things I think I would remember, but I don't. I mean I can't be certain that they didn't occur, but I think I would remember them if they did.

Q Did either you or Mr. Reynolds advise Colonel North

SLK-3

to get an attorney?

A No. I certainly didn't, and I did not hear Brad recommend that. I mean to give--the nature of the thing was that there was a major political problem in terms of--it was clear there was a major political problem with this initiative having been made public and the policy seemed to run counter to previously stated Administration policy, and it didn't seem unusual at all to me to hear him joking about losing his job. As being a--and I didn't know whether it is because he was a proponent of or complementor of the policy. That didn't seem unusual. There was not any flavor or feeling of he had personal legal liability. Although, I mean, we were clearly aware of legal problems for the Administration.

Q Do you recall what time you did leave in the company of Colonel North?

A I saw a note here a minute ago that seemed to indicate it was--yes. On Exhibit 2, it indicates 7:15, JR and WBR depart NSC offices. That's probably about right. I don't think it's contemporaneous, but that's probably about right.

Q Did Colonel North mention he was going home or did he have another engagement that evening?

A I don't recall. I don't think he mentioned another engagement. I mean, I think we--I recall him saying he lived in Great Falls and I may have said, because they were talking about the horses. I may have said I live in McLean, you have a long drive, or something like that; but I don't recall knowing where he was going.

Q Did he mention any meetings that he had had or planned to have with Robert McFarlane?

A No.

Q Did he make mention of Tom Green?

A No.

Q Did he make mention of Richard Secord?

A No.

Q Did he make mention of Albert Hakim?

A I don't think so. No. They were all mentioned the next day during the interview.

Q Sure.

Now Sunday morning, do you recall when it is you went to the Department of Justice?

A Well, I came straight to the NSC.

Q Oh, okay.

A From home. And I overslept because I got in there later--I think we had Jock in there at 9:00 or 9:30, something--we wanted him to meet us around there at that time. It's just my recollection. And my note here on Exhibit 2 indicates I got in there about 10:45. I stayed up very late the night before.

Q By the way, when the copies were made of the documents you wanted, did you take possession of them?

TOP SECRET

UNCLASSIFIED

SLK-5

A Yes.

Q Where did you put them?

A Well, I kept them in a pile next to me while we were in the office. Then I think I got one of those legal size fiberboard folders and put them in there when we left.

Q Okay. And where did you take them?

A Took them back to--well, I don't remember if I went to the Department. I probably went to the Department after leaving the NSC. And then I took them with me--I mean, they were on me at all times. I took them home. I don't take classified material home normally, but--I mean I locked them in my trunk when I drove home. I took them inside and put them under my bed. I lived in a one-room place at that time so they were within arms reach. I am sort of paranoid about classified material anyway.

Q I take it then you took them back with you when you went back to the NSC?

A Yes. I probably had a litigation case going or coming. I tend to recall that I did, with notepads and--that's why I think I used stick-'ems to mark my documents. I think I had one of those with me.

Q Do you recall when it was you went from the NSC to the Department of Justice?

A I think it was around mid-day. Let me see if this refreshes my--Exhibit 2, the note for 23 November indicates

UNCLASSIFIED

SLK-6

12:40 to 2:00 p.m. that we met with Meese and Cooper, Reynolds and myself. So we probably left there about 12:00, 12:30.

Q And during that meeting, you mentioned that you went through the diversion memo?

A Yes.

Q Carefully?

A I think that we showed it to Meese for the first time then.

Q Had you seen typewritten questions prepared by John McGuiness?

A I think I saw them at this meeting, at this pre-North meeting. I think Cooper went through them with Meese.

Q When did you first discuss the weekend inquiry with John McGuiness?

A Golly, let me think. May have been Friday night. I went down to see Cooper and knew that John was involved. I didn't sit down and talk to John about what we were finding or the state of play. I did not brainstorm with him or share any information that I had gotten with him. I know there's a set a notes that I took after a conversation with McGuiness, and I don't remember what day. Maybe Monday, where he told me what he had learned at the CIA; and I am sure there came a time when I knew John knew about the diversion prospect and a fuller conversation was had, but that could have been Tuesday as opposed to sooner. I don't think that I knew

K-7

McGuiness before this weekend. I knew Cooper trusted him and that he was--is a very good lawyer and a very confidential person to deal with this kind of sensitivity as well as classified material.

BY MS. NAUGHTON:

Q I show you what has been marked as exhibit number 9. Is this your note taken of your conversation with John McGuiness on the 24th of November, 1986?

A Yes.

Q And it indicates 1:30. Is that when the conversation took place?

A Probably--yes. That's probably what that means.

Q Can you tell me what the first reference is to?

A The entry says, "Rumors at CIA extra money"--a dollar sign--"paid to"--its Southern Air Transport. It says, "SO Transport." and "funneled to Nicaragua."

Q Now when he hold you this, were you--in other words, were you in his office or your office or was this part of a bigger meeting?

A I'm pretty sure this was one-on-one. I don't know. We might have been in Cooper's office or we might have been in my office. I don't know which.

Q Was Cooper present?

A I don't think so. I mean it's possible, but I would tend to think not.

UNCLASSIFIED SECRET

SLK-8

Q Do you know whether or not Mr. ~~McGuiness~~ McGinnis told you that he had told Cooper this piece of information?

A I don't recall. If he had not, he certainly would have the next moment I saw him because I mean he was reporting to Cooper; so I think he was bringing me up to speed on what he had found.

Q Did you bring this fact to the Attorney General's attention?

A I don't recall. I may have. What is more likely is that Cooper briefed me on what McGuiness learned at CIA, or from talking to the CIA people. But I might have; I just don't recall,

See, at this point,--well, this is a slightly different twist on contra funding because it seems to indicate the rumors at CIA were the money was funneled through Sourthern Air Transport. But my basic point of view is that well, we already know that money has been diverted from the contras and this would go to the how--but I would think Cooper was the one who would have briefed Meese on this. Although I may have done it.

Q When McGuiness told you that this was a rumor at the CIA, did you tell him at that point, well, we found a memo to that effect at the NSC?

A I don't think so.

Q And did you tell him about the North interview?

UNCLASSIFIED

A I don't think so.

Q Why not?

A I just was not telling anybody outside of the other two, three people including the Attorney General that I was authorized to tell people--tell things to. I knew that Chuck was tasking John to gather certain kinds of information and to look into certain legal questions, and I wasn't going to take it upon myslef to share that information with anyone. Not that I didn't trust--he may have known. I just don't remember. Cooper may have told him by this time, but I don't recall. But I'm pretty sure that I did not volunteer it.

Q Prior to the Attorney General's press conference of November 25th, did you tell anyone at the Department of Justice or outside of the Department of Justice--

A No.

Q --about the diversion?

A No. The only possible person would have been McGinnis ~~McGuiness~~, and I'm pretty sure I didn't tell him.

Oh, I take that back. I told Ken Cribb. Cribb came back into town probably Sunday night. I don't know for sure. Monday morning--actually, I think I called Cribb at home Sunday night and said we are meeting with Meese at 8 o'clock or--I think it was 7:30, maybe, 7:30, a quarter to 8, we arranged to meet with Meese. I asked Ken--I said, you should be at that meeting. I went and caught him in his

SLK-10 office five minutes before the meeting and brought him up to speed. I mean up to speed in terms of the bombshell prospect, not in every detail. And then I think Ken went--I believe he was in that pre-8:10 meeting, but I'm not certain. I think he was. But Ken was added to the list of people who knew. I better think for a minute so I make sure I don't miss anything else.

I think that is it. I did not tell anyone else besides Cribb.

Q Are you sure? Or do you just think?

A I am pretty sure I did not. As I say McGinnis ~~McGuiness~~ is a possibility, but--unless McGinnis ~~McGuiness~~ has raised it with me, I would not have raised it with him. Now he may have raised it with me, but then I wouldn't have told him, so I would say that Cribb is the only one I told.

I don't think, for example, I told Meese's secretary and she was there all weekend. So I think that's right. I'm pretty sure Cribb is the only one.

Q What about anything else outside of the Department of Justice?

A No. I'm not married and I don't think I would have told my wife anyway; but that would be the only possibility.

Q If we can go further now through Exhibit 9, rumors about CIA. Then we have another CIA did not--please read that.

SLK-11

A Second entry, "CIA did not use"--it says, "SO Trans," T-R-A-N-S, which is Southern Air Transport--"in this" --underlined this--"transaction (Nicaraguan or Iranian shipments.)"

Q What does that mean?

A I gather it means that the CIA did not use Southern Air Transport. I'm not sure what "this" underlined refers to. It may refer--I mean, it may refer to--in fact, it must--when I look at the next entry which says, "All arrangements NSC Bud November '85 [redacted] and November '86 replenishment, [redacted]." I gather it refers to the--probably to the November 1985 shipment. I hesitate because at some point, I have the recollection that a Southern Air Transport crew was used for something, but I don't know where that fits in. That may have been 1986 shipments. But I think our attention here was on November 1985, which was [redacted] the proprietary.

Q Were you aware during this weekend that Southern Air Transport was being investigated after the Hasenfus crash?

A I don't think I was.

Q Were you aware of the call by the House Judiciary Committee members for an independent counsel to investigate that?

A Well, I was aware of--let me think for a second. I

-LK-12

was aware of Congressional requests for investigations of drugs, alleged drug smuggling by the contras. Now I don't know if that's the same--

Q No. There is a request on October 17th, 1986, following the shoot down of the Hasenfus plane at which a majority of the House Judiciary Committee members asked for a preliminary investigation into whether or not an independent counsel should be appointed to investigate that particular activity.

A Did they name an NSC member as the target?

Q Yes, it named North, it named Poindexter, it named Casey, it named Vice President Bush and others.

A I was probably aware of that but not--I did not think of it this weekend. I did not--I mean, I was probably aware of such an allegation or a request. I would have seen the letter when it came in to Meese; and I probably would have known that something had been referred, but I don't think I knew that the entity involved was Southern Air Transport or that I put the two together.

Q I guess we skipped ahead to Monday morning. I think those are the relevant things from the McGinnis ~~McGuiness~~.

A Yes. Okay. There's a reference to fair market value. We were trying to find out the price of the weapons.

Q What's that last line?

A "NSC paid (or intermediary for Israelis et cetera)

SLK-13 for Southern Airways."

Q Okay. If we can get to then I guess the North interview.

A Yes.

Q I gather Colonel North came alone?

A Yes.

Q And this took place in the Attorney Generals's office?

A Yes.

Q Were you the designated notetaker, as it were?

A Yes.

Q You had decided that prior to the interview?

A Yes. I mean, it had been decided for me, but yes. I knew I was taking notes. Let me put it this way. I think Cooper was tired of taking notes and Meese--he thinks I'm a decent notetaker.

Q Well, you have one of the best penmanships of anyone at the Department of Justice. I can tell you that from personal experience.

A Thank you. Except Meese's, his is very neat, too.

Q In fact, sometimes it's hard to distinguish the two of you.

A Yes.

Q Did Colonel North mention at this interview mention having consulted with an attorney or having an attorney?

"LK-14

A I don't think he did.

Q Was he asked if he had an attorney?

A No. I don't think he was.

Q Was he told he had a right to have one there?

A No. I don't believe he was. I should just, as an aside, on any specific thing, if my memory can be refreshed or corrected by looking at the notes, I sort of reserve that. I go by recollection on this line. It may be incorrect in some detail, but I think on those none of that happened.

Q Okay. I really did not have specific questions on the interview.

A Okay.

Q But I think Tom does. If you want to jump in?

MR. McGOUGH: Want me to do them now?

MS. NAUGHTON: Yes.

BY MR. McGOUGH:

Q I only brought one copy of these because I didn't intend to introduce them as an exhibit.

I wanted to go to that portion of the interview where the Attorney General raised the subject of the diversion.

A Right.

Q As I understand, the way the interview went at--it proceeded on a general level and for some time, or at least it didn't deal with the diversion for some time, and then the Attorney General brought out the diversion memo and began to go over portions of the diversion memo other than portions referring to the diversion itself?

A Right.

Q Is that right? Fair to say?

A Yes. I mean--and I think--I mean, that was a tactical determination. He established that North had written the memo and he drew his attention to what was genuinely new information or--on the question of enforcement by the U.S. Government of that September 1985 shipment which was on page 1.

Q One of my questions is was that a tactic discussed in advance of the North meeting? When you had this rather lengthy meeting before North came? Were there tactics discussed? How you were going to broach it?

A I don't recall that specifically. I do know Meese was talking about what areas to cover; and using the typed questions that Cooper had provided. He said,all right, we want to go through the 1985 shipment; well, how the initiative began; the 1985 shipments. Then talked to him about this memo concerning the use of funds. But I don't recall him specifically saying now--if he--he did say, now I will do the questioning. And if you've got anything to add, you let me know. But it was clear--I mean, it was very obvious to me once he began the questioning what he was doing. You may know this, but he had been a prosecutor for eight years in his early

SLK-16

career. So he's--he's a good questioner.

Did you know going into the meeting that the Attorney General might have to leave early?

A I think I did. His wife was coming back from out of town and he had to go pick her up at, I guess, the train station or--either there or the airport. I think I knew, but I'm not--I don't recall clearly.

Q Now there's been some indication, I believe Mr. Cooper's testimony and elsewhere, that when Colonel North's attention was drawn to the diversion paragraph that he was surprised or appeared surprised. Do you concur in that assessment?

A Yes. Yes.

Q Can you elaborate on it in any way? Can you tell me from what you drew that conclusion?

A Well, he--I mean, as I recall, his first--he first said was this in my files? We said yes.

Q Let's back up for a second. When he said was this in my files, was he referring to--was this at the point where he was first shown the memo or only when his attention was drawn to it?

A When it was drawn to the diversion. He had already said he had written the document and that sort of thing. He said you found this in my files? We said, yes. And he--I mean, he was visibly surprised. Meese asked him if this took place. He said yes. And you could see him sort of then recline back in the chair and I think that's about--that's about it in terms of surprise. He was visibly surprised that we had--that this had been fround.

Q Can you parse it out at all? Could you determine here he was surprised that the memo he was looking at had a reference to the diversion in it? Or was he surprised that you knew about the diversion in general? Maybe I'm getting a little too specific.

A Well--

Q What I am trying to find out was he surprised that here is a memo he says he's written, and all of a sudden he rears up and realizes there is a paragraph in there relating to the diversion? Was that what surprised him that there was a paragraph in there relating to the diversion?

A I would say both. He was clearly surprised we had information about the diversion; and I think he was--his reference to--this was in my files--indicated that he was surprised that it was in the memo. I think it's both. I took it as both anyway. I mean, he never said anything like, I can't believe you found this. I thought I'd gotten rid of all of these. He never intimated anything like that.

Q But something about that memo surprised him? That was clear?

A Oh, no question. I mean I'm convinced, he had no

UNCLASSIFIED TOP SECRET

idea we were going to find anything that concerned the diversion.

Q And it wasn't the fact that you had the whole memo?

A No. It was the diversion.

Q He was--it was the diversion paragraph that was in there?

A That's correct.

Q This then was--looking at the notes-general conversation, after the diversion was broached, about how much was moved to Nicaragua, that sort of thing; and then the question of who knew, I guess, and who approved, who approved the diversion was broached?

A Yes.

Q Can you relate to me what you recall about how that was raised and what he said about who knew?

A If I can look at those notes, it might help me refresh my recollection.

Q Sure.

A The one thing I remember without looking at the notes is he said specifically the only three people who could know are the following, which was Poindexter, himself, and McFarlane.

UNCLASSIFIED

Q Yes.

A But, let me get to the point of--well, they talked about where the idea came from. Then Meese asked him--

UNCLASSIFIED SECRET

SLK-19

Q Let's back up a little bit here. There is a reference here to, "if President okays something into working files of," who is speaking here? Can you tell? And what is that a reference to?

A The reference is to if the President okays a memorandum or plan, where does it go. That was what we were trying to determine.

Q I think if you go back up, there is a reference here, "AG, discuss with RR not with N."

A Meese said was this discussed with the President? North's answer, not with North in the room, not when North was present.

Q This was then the discussion of the residuals?

A Yes. North continues here, Poindexter-this is what the notes mean on 15, Poindexter is the point of contact with the President. Fortier was involved, too. When he became principal deputy. Question: Do you know the amount? North didn't know. Question: Was there any CIA handling of that money? North: No. Don't think they know underlined. Some may suspect. Was this an Israeli suggestion to sweeten the pot? It was discussed with the Israelis to how they could help generally, and that's North and Rabin. Don't recall asking them. Thought the Israelis offered.

Q Now we have the line, "if the President okays something into working files of."

UNCLASSIFIED

UNCLASSIFIED SECRET

Do you recall what that was a reference to?

A I don't have a specific recollection. From the looks of the note, it looks like Meese asking if the President okays something, what happens to it; and--normally I used a dash to indicate the answer. And the dash, into working files.

Q And this is as best you can understand the notes, the Attorney General attempting to determine if there was a written document indicating the President's approval?

A That's right.

Q And then the next line is again, "AG, if RR approved it, you'd have it"? Is that more or less the question he was asking North?

A Yes.

Q North said yes. Then there is a line, "don't think it was."

A North did not think it was approved by the President.

Q Look at the next two lines. Would you read those into the record?

A It says, "other files there. It could be in."

I think what it means is other files it could be in. Question mark.

Q Was that the Attorney General asking North if there were any other files where such an approval might be located?

A Yes. I mean, North had said he didn't discuss it

SLK-21

with the President. He didn't think the President had approved it. Meese was saying are there other files it could be in besides yours that--to verify it didn't go forward.

Q In other words, the point of asking about other files was to verify that it didn't go forward to Reagan; is that right?

A Yes.

Q And then there is a trunk indicated--what does that line say?

A The last line, there is a star that says, OLN will check.

Q What did that mean?

A He said,--we didn't ask him. North volunteered, I'll check, I don't think so, that it could be in any other fiels, but I'll be glad to check. I just wrote that down. We weren't expecting the report back.

Q Okay. But at least at that point--then it goes on, there's some other things to be checked on this page; right? Check if Israeli dollars got to Nicaraguans.

A Right.

Q What does that mean?

A I don't know what that means.

Q Do you recall who was to check if the Israeli dollars got to Nicaraguans?

A Well, I don't think it was--from looking at the note,

UNCLASSIFIED

SLK-22

I don't think it was intended in that way. Because if there were--I use a star and circle if there is some follow-up or action item. I think this was a statement of information. But I don't know who made the statement. It could have been how would you check to see if Israeli money got to the Nicaraguans, but I don't know what that means. I don't recall.

Q The previous entry does have a star next to it indicating what you have called an action item?

A Yes.

Q Is that your understanding somebody was to do something as a result of that?

A Well, he said--he volunteered that he was going to check.

Q Yes.

A I noted that. I don't think--I mean, I don't think any of us every followed up with him to determine whether there was additional paperwork in the system.

Q Did anybody say at that point or at any point to Colonel North, no, don't go and check?

A No.

Q In other words, you didn't say don't go back to the files?

A No.

Q And see if there is approval?

A No.

.K-23

Q Okay. And to the best of your knowledge, no one ever followed up to ask him whether he did, in fact, find an approval?

A That's correct.

Q Would it be fair to say that at least at that point in the interview, and by the end of the interview, that was just left as an open item?

A Yes.

Q Okay. Did Colonel North mention any other files that such an approval might be located in?

A I don't recall any other files, no, that he thought it might be located in.

Q Did he indicate what other files he was going to check?

A No.

Q I think that's all I have on the notes, Pam.

BY MS. NAUGHTON:

Q Did Colonel North indicate that he had spoken to Mr. McFarlane that day?

A I don't think he did. No. Although he did not--let me think for a minute. He did not have his car with him at the Department and when we were done, he asked me for a ride to get his keys at the White House and then to pick up his car. And I was going to do it, and then Meese showed back up from getting his wife. The interview was done. So

UNCLASSIFIED

Meese's secretary drove him first to the White House, where she waited for him to run in and get keys, which I think he said his wife had brought an extra set of keys in. I didn't really pick up where he had lost or misplaced his keys; but--I don't know if she brought them--if she went--if he picked them up at the guard's gate or if he went to the office. But Kathy, Meese's secretary waited for him and then drove him over to pick up his car which he said was parked on the street around K Street; and then she left from there. At some point he may have had a conversation--North may have had a conversation with her and said, you know, I was over at McFarlane's and my car is over there, would you mind dropping me off, because at some point, it sticks in my mind, that his car was near McFarlane's office.

Q This is Cathie Appleyard?

UNCLASSIFIED

A Yes.

Q Is that a common spelling?

A Yes. With a c and i-e, though for the Cathie.

Q After Colonel North left, what did you all discuss? I assume--

A Well, the number one item was the confirmation of the--of a diversion as it's come to be known, of a use of the proceeds of the Iranian arms shipments to fund the contras.

There was a recognition of the need to find out who else knew about this and whether this was an authorized

SLK-25

activity. There was discussion--I believe that night, but it may well have been the next morning, of trying to determine what--if this happened, and if it was an authorized activity, what the legal ramifications could be.

MR. McGOUGH: You said if it was an authorized or an unauthorized?

THE WITNESS: I said an authorized, but--I mean, we were looking at, I guess, the first question was--if the President authorized this, what is the--what are the legal implications. We were obviously--there was a clear prospect that it had been unauthorized as well, I mean unauthorized by the President.

BY MS. NAUGHTON:

Q Excuse me. Did Colonel North say whether or not Admiral Poindexter had authorized it?

A I don't think he did.

Q Was he asked?

UNCLASSIFIED

A The implication was both of his supervisors knew about it. He said the only specifically--the only people who could know were Poindexter and McFarlane. McFarlane, as I recall--he said McFarlane found out about it in May of 1986; and so that--I don't think it was specifically said did Poindexter authorize this plan; but his--it was clear that his immediate superior knew about it. Oh, and Secord--we asked later if Secord knew, and he said yes.

UNCLASSIFIED SECRET

Q And also Mr. Hakim knew? Right?

A I don't know if he knew or not. I haven't followed the hearings that closely.

Q No. I am asking you what Colonel North said?

A I don't think he metioned Hakim as knowing.

Q Did he mention that it was Nir's idea?

A My recollection is that he did. But I couldn't point out to you exactly the section of the notes that deal with that. But I think he did.

Q So he indicates that there were at least two other people outside of the U.S. Government?

A That's right. And he said that Nir may be--I think it's Nir, the Israeli he named may be the only one in the Israeli government who knew, if he had handled the transaction himself. That is Nir. And he described the transaction. As I recall, again without looking at the notes, that he said he called Calero, told him to open up three accounts, got three account numbers, and he gave the account numbers to Nir who put money in the accounts. And my recollection of the Tom Green call/meeting on Monday, that the import of that was that North had told us about how the money changed hands was not correct, that it had changed hands in a different way. I don't recall specifically how, but I know you have someone's notes on that.

Q When Colonel North left, was there a discussion as

SLK-27

to what to do with the information that you had learned?

A On the--well, there was--I recall one on the diversion yes. And the Attorney General said he wanted to talk to the President about this and I don't know if it was Sunday night or Monday morning, we met him again Monday morning at 7:30. And it--out of those two meetings, it was clear he wanted to talk to the Vice President, the President, Don Regan, and Poindexter. I think he talked to McFarlane about this, too, because he met with him briefly Monday morning.

Q Did he indicate--

A Just to give this some context, at this point we knew that this was a big deal and the question--I mean North had said this layer of my supervisors know. Meese's immediate concern was does the President know about this? Was this authorized by the President? And if he didn't, you know, this was clearly the kind of policy call that he thought that the President, if it happened, that the President should have known about. So that was the immediate shift, and trying to determine if the President knew about it and if it had gone forward to him. So that's what he set out the next day to do, talk to Poindexter, Regan, et cetera.

Q On Sunday, did Mr. Meese indicate what he discussed with Mr. Casey the evening before, Saturday evening at Casey's home?

A I just don't recall any--I don't have a recollection

SLK-28 of any report about what he talked to Casey about. North had specifically excluded the prospect that anyone at the CIA knew about the use of money from the Iran shipment to fund the contras, and he had specifically said, and used the word "could." The only ones in the U.S. Government who could know about the use of those monies for the contras were Poindexter, McFarlane, and himself.

Q But the Attorney General speaks to Mr. Casey prior to the North interview?

A That's right.

Q But after the diversion memo was found?

A That's right.

Q My question to you is did Mr. Meese indicate what he spoke to Mr. Casey about?

A I don't recall him mentioning that at the time. He may have, but I just don't remember it.

Q Did he mention the visit of Mr. Furmark to Mr. Casey indicating that investors in the Iran arms sale were about to file suit?

A Did Meese mention that?

Q Yes.

UNCLASSIFIED

A I don't know. I know North--Meese asked North if there were any other problems, bombshells, that wasn't the word he used but that was the import of the question, clearly understood. One of them mentioned by North was that there were investors that were getting antsy about not having their money and feeling that there could be problems there. But that's the only thing I recall about that. I don't think I heard about the Furmark materials until maybe Wednesday. Because Casey sent them over to Meese--some Furmark memos with a letter from Casey which--and I think they are dated the 25th, which was Tuesday. I think I may have seen that Wednesday morning. But I don't have any recollection of those before then.

Q On Monday, did the Attorney General ask anyone to do any further interviews? In other words, he was going to go to the White House to see the Vice President and other people about this. Did he task anybody else with doing any other interviews?

A I don't remember him doing that. He certainly did not task me to do that, but Cooper--I don't know if Cooper was doing anything or not on the other front. He may have still been in contact with the CIA on--I know that he was doing things with the CIA general counsel for sometime. I just don't know.

Q And was it discussed with the Attorney General whether or not someone should go along with him when he spoke to Mr. Poindexter and the others?

A I don't think so. I don't recall any such discussion. I don't think--I don't think there was one.

SLK-301

Q By the way, were you present when the Attorney General spoke to Secretary Weinberger?

A I don't recall being present, but it's possible that I was. This is on the telephone?

Q Yes.

A I don't remember. Being there or not being there.

Q Did the Attorney General discuss with you what Secretary Weinberger told him.

A I don't think so. I mean, all I--and I can't place this in time, but Meese's comments were that Cap doesn't know --Cap doesn't really have many of the details on this, something to that effect.

Q Now once the Attorney General returned from the White House, did he tell you what happened? I gather he returned sometime around noon or so? On the 24th?

A Let me see if I can remember from looking at--yes. Well, it indicates in my notes, Exhibit 2 here, on the 24th, that we had lunch from 12:45 to 1:30. Meese, Reynolds, Cooper, Cribb, and Richardson. But I have, in parentheses, check, with an exclamation point. That may mean I either got the time, the person--or the number of people wrong. But he had a--I know he had--well, there is a notation here, 1:40, V.P. I know he had a NSPG meeting at 2:00. This would indicate he talked to the Vice President at 1:40. I tend to--I don't have a note to this effect, but I tend to recall that he saw

SLK-31

--I know he saw McFarlane around 10:00 in his office and I thought that was over at the White House to see Regan and the President late morning. But he may not--that may have just been Regan and Poindexter.

I don't recall anything out of that lunch meeting at 12:45 that day. He may have--I mean, at that point he might have said well, I'll see the Vice President then and I will see the President again at 4:30, something like that. It may still have been fluid.

Q Did he tell you at the meeting with the President in the morning that he had told him about the diversion?

A To this--I'm still not sure when--which--when he talked to the President that day. I know he did at the end of the day. But I don't recall him--I just don't recall any lunch conversation on that day. Sorry to say. He may have, but he may not have.

Q But, I mean, this was the big issue. Did the President approve it or not?

A Yes. I just don't remember it now. He may have come in and said well, the President doesn't remember this. But I just don't remember now. I mean it was clear by the end of the day, it may have been at lunchtime that the Presididn't think he had approved it or that he had never heard of it and Regan had never heard of it and that was confirmed later in the day. But I don't know. I can't say when that

SLK-32

conversation occurred. It was obviously the big topic and it was obviously covered at lunch, but I just don't know the content of the conversation.

Q Now--

A If I can just--I do know that when he came back at the end of the day Monday, we knew that this had not been authorized by the President for a certainty.

Q If I can go back, in the morning, to the meeting with McFarlane?

A Yes.

Q Were you present at that?

A No.

Q To your knowledge was anyone present other than the Attorney General and Mr. McFarlane?

A I don't know. Cooper might have been, but I don't --it might have been just Meese and McFarlane. I'm not certain.

Q Do you know why you were not present?

A I mean I was--I had not been in the first McFarlane interview, so I didn't expect to be. I was the most junior and least--to be blunt, least important member of the team. So it didn't surprise me not to be there.

Q I am not asking you if you were surprised. I am asking you if you know if there is a reason why you or anyone else wasn't there?

A Oh, no. No, I don't. I mean, I know of no reason

SLK-33

why I was excluded if that's the question.

Q Was there an expression on the Attorney General's part prior to that meeting that he wished to speak to Mr. McFarlane, the Vice President, Poindexter, and Regan alone?

A I don't think so, no.

Q Was there any discussion of whether or not he was going to take notes of these discussions?

A No. I don't recall any.

Q Now I take it that you know--

A You know, we might at lunch, we might have talked about--at some point either that morning or the night before Meese told Cooper to find out when the Boland Amendment was passed, and that sort of thing. It may be that there was a preliminary discussion along those lines at lunch that day. But that would be a reasonable guess on what--I know that was covered Monday at some point.

Q Other than the early morning meeting with the Attorney General and the lunch meeting, what were you doing Monday?

A Well, we--I suspect that we probably had our formal 8:10 staff meeting, our 8:30 staff meeting. I could look at his schedule and tell you for sure, but if you have that--but we normally then spend the 9:00 to 9:30 or so timeframe with our schedulers and that sort of thing. That may have been done. I just don't remember. I might have been seeing that

UNCLASSIFIED

copy of the documents from the NSC was made, something along those lines. I just don't recall.

Q Did you feel confident as of Monday that you had seen all the documents you needed to see?

A Well, we had been through almost all of what North had provided to us. We had not been through some files marked [redacted] 1986. We had been through all 1985 material and all the 1986 material marked White House memoranda or miscellaneous. So--I mean, I felt confident--I knew that we had been through everything that had been provided to us. I couldn't say that I thought every document that existed in the government on the subject I had looked at, but--at this point, --I mean the weekend tasking was get the facts, there's a 2:00 o'clock meeting on Monday. At this point, by Monday, we had learned the facts and we hadn't pursued every detail, but at this point, there is a major--I mean obviously what happened in 1985 was much less significant than the diversion; and the attention was focused very--immediately on the diversion. Cooper was looking into some of the legal questions. I'm not sure what I was doing. I might have just been in my office working or looking through some of these memoranda, but the focus of things shifted immediately to Meese working at a level with the President and the Vice President, Regan, Poindexter, to figure out what happened and what this factual revelation meant. So, I mean--my intimate activity in terms of looking at documents and all that stuff had become a secondary thing. I mean this was clear--I mean, there was a very clear consensus Sunday night, reiterated explicitly Monday morning. We've got to find out what happened, was this authorized, and make this public; and so that is the track that was moving very quickly and those other activities which seemed much more important 24 hours earlier were much less important at this point.

Q Why was it so important for it to become public so quickly before you had all of the facts?

A Well, Monday was spent getting all the facts. That is--I mean the important facts. Did the President know about this? Who else knew about it? Those were the crucial things at this point. It's pretty obvious that this was a major development, that the Reagan initiative had already been the subject of three weeks of very serious public debate and the Administration was dealing with a serious foreign policy problem. I mean, this is from my personal perspective. There was also--I mean it was obvious that this development compounded that dramatically and--I mean Meese was conscious throughout, that is throughout Sunday night when he and I had a brief conversation and Monday morning when this conversation occurred that with this kind of development, all information had to be gathered quickly and made public quickly, because this --I mean, this is obviously--was going to create a problem for the Administration and could only be compounded if it were not made public. By public, I mean Congress to be notified, because there had been--the three weeks preceding, the debate had centered upon the nation--the failure to notify Congress on the arms initiative; and I think that was the basic reasoning.

Q But my question is why go public so quickly? In other words, a decision was made to go public prior to, for instance, informing the FBI what had occurred. The information to go--the decision to go public and the going public of the information was prior to interviewing many of the key players in the Iran arms transaction. So my question was what is it that triggered Tuesday noon as zero hour for when it was going to go public?

A Well, I mean--I would see no basis for informing the FBI, for example, as an entity. And all the key players had been interviewed. I mean North had been interviewed. We didn't track down Secord and Hakim or any of that sort of thing. The President was interested, Meese was interested in what do Administration officials know about this.

Q Was Mr. Casey asked if he knew about the diversion?

A I don't think--well, I don't know. The Attorney General has said that he did not raise that with Casey before the interview with North. But that it was discussed with Casey, as I understand it, Tuesday morning at Casey's home, K-37

because apparently Regan had said something to Casey about it.

So--but it's obvious that with this kind of a development, that this was going to cause a major political problem for the Administration; and--I mean Meese, in the interview with North, said we don't want anything that can even look like a coverup. We want to get to the facts and get them to the President and this was before knowing about the--getting Meese--getting North to confirm the contra diversion.

So I think the interest was in--as this bombshell was learned, it was to be made public as soon as possible, because it would have been--if this had been made public by someone other than the President, that would have added to the problem.

Q So there was a concern of leaks as well?

A I mean I didn't--I know Cooper has tagged it as a concern of leaks. I didn't view it that way. I guess--I mean--I was concerned personally. I mean Meese was committed to getting this public as soon as possible. He didn't say I want to get this public because x, y, and z. In conversations with Cooper, he said, you know, this thing could leak out, et cetera. I said the key is to get the President to make this public. And the President has--I mean, throughout this, certainly since this time, has wanted to make--get the accurate information and make it known. This was a major operation, a major policy initiative that blended two very important and controversial policies together and the President didn't know about it. So it's obviously-- I mean in hindsight and it was clear to us at the time that unless this was made public immediately, that it would create even more problems for the Administration.

Q As you said, if someone else would have--were to have mentioned it, if it were to come out by some other means other than the Administration?

A Right.

Q Okay.

A I mean, with rumors--rumors at CIA about this and that.

Q Monday afternoon, the meeting with Green, I take it you were not involved in that?

A That's right.

Q Did you receive a report about it?

A As I recall, yes.

Q And in that report,--when you received the report about it, were you in the presence of the other team members or was this--

A I think I was. I think Meese, Reynolds, and Cooper and there may have been others present, too. I think I have a note on that, but I'm just not sure.

Q Was it discussed then that Albert Hakim was--let me back up. Mr. Cooper's notes indicate that they were told

SLK-39 that Albert Hakim was the guy who originated the idea of the diversion, according to Mr. Green. Do you recall that being state to the group?

A No. I mean, it may have been. I don't recall it.

Q Do you remember Mr. Hakim's name coming up?

A No. I don't recall it.

Q Now on Tuesday morning, you were tasked to go to the White House to look at documents?

A Well, I rode into work with Meese Tuesday morning. I live very near his house. So once in awhile, I just hop a ride with him. That coincidentally happened to be one such day. So I rode with him from his house. He stopped by Casey's house. We went to the Department. He met briefly with Poindexter. He met--we then grabbed Cooper. In fact, Meese called Cooper from the car, and Cooper was still at home, and said be in my office by X time.

Q When you stopped at Mr. Casey's house, did you take part in that meeting or did you stay in the car?

A No. I sat in the car.

Q And do you recall how long the meeting was?

A My notes reflect, I think--well, in Exhibit 2, my notes seem to indicate five minutes. 6:40 to 6:45 a.m. Might have been a little longer. Actually it seemed a little longer in hindsight, but five to ten minues, I would say.

While he was in there, there was a call placed to the car from Don Regan--from the White House operator. I told him he was in Casey's house. I think he called him in there or we ran in with the message to Meese who called Regan. I can't recall which.

Q Was Regan calling for Meese or for Casey?

A For Meese.

Q Why is is that you didn't go into Casey's house with Mr. Meese?

A No particular reason. I wasn't asked to and I normally wouldn't sit in on a meeting between Meese and Casey.

Q Did the person who placed the call for Mr. Regan indicate what he wanted?

A No. I think it was a White House--the White House operator and I tend to recall that Meese's driver ran in--ran up to Casey's door and said that Regan was trying to reach him. As opposed to our directing the operator to Casey's residence.

Q Did Regan place the call then to Casey's residence?

A I don't--I mean I think based on my recollection that the driver went and told Meese that Meese placed a call to Regan from Casey's residence.

Q But--

A They did talk, when they were in there.

Q They did not talk in the car?

A Right. Because when he came back, I said did you get Regan, as I recall; and he said yes.

Q Did he say what Mr. Regan wanted?

A No. I don't think he did. I don't recall that. But he--Meese then placed a call to Poindexter who was not in his office. He was in his car. So he reached him in his car and he asked him if he could meet--Poindexter if he could meet Meese at the Department.

Q When is it that you discovered that Regan had told Casey about the diversion?

A Oh, at sometime substantially later. It could have been in the last month. It was a statement to that effect. I'm not sure that he did, I should say. I just--my recollection is that someone said that Regan had told Casey about it. Meese may have said that. I'm not sure.

Q When the Attorney General got back into the car after visiting with Casey, did he tell you what he talked about?

A No. I don't think he did. And we were--Meese's driver and a FBI agent were in the front seat, so he--I mean he didn't get into any details. I mean I would not have expected him to give me an update on the diversion of funds in front of those--in front of his driver and the agent.

Q Were you present when Admiral Poindexter met with Meese at DOJ?

A No. They met one on one and I was outside the door.

Q Do you know how long that lasted?

A Well, my note here-again in Exhibit 2, indicates it was about 15 minutes. Ten, fifteen probably.

Q Did you have any indication that Poindexter would be asked to resign?

A I'm pretty sure that I knew after the meeting. I don't know that I knew before. I just don't recall. But I grabbed Cooper probably while the meeting was underway and I think Meese pulled Cooper in and we talked briefly. I think he said Poindexter is going to be resigning this morning, we're going over to the White House. That's just my recollection. It's not crystal clear.

Q Was there any discussion of Colonel North's being resigned or fired?

A I don't think there was there at the Department.

Q Did you discuss that with the Attorney General or did he discuss that with anyone in your presence?

A Well, we went--the next meeting was at the White House with Regan and Wallison and Thompson and then Meese, Cooper, and myself. I mean at some point before the press conference--and I don't know at what point, this might have been with Meese and Regan out of the room, I understood that Poindexter would be requesting reassignment to the Navy.

Q Okay.

A I may have learned about Colonel North when I saw a draft of the President's statement.

Q Do you know who wrote that?

A Yes. Let me think here a second. Well, after the Regan-Meese meeting broke up, which was about 9:00 o'clock when Regan and Meese went down to the Oval Office, Cooper and Thompson and Wallison were tasked to write a statement. I was tasked to go down to Thompson's office and look at documents. I am not sure who penned it, but between the three of them, they wrote one. Because I joined up with them later in the morning up in Wallison's office. They were going over a draft.

Q There seems to be much discussion primarily amongst Colonel North and Admiral Poindexter as to why Poindexter was allowed to ask for reassignment and why North was summarily discharged from the NSC, can you shed any light on that decision making process?

A I was not present when that was discussed with Meese and I don't know that Meese was a part of that. It's my impression, purely an impression, that--I mean, that was a-- just something that Don Regan and or his deputies had done. I mean, I don't even--I got the impression, and I believe that it may have been that day, I'm not sure when, that North was not informed about this. And it may have just been an oversight on the part of Regan and his deputies. I don't recall any specific discussions saying, all right, we are going to

UNCLASSIFIED TOP SECRET

SLK-44

do this to North and this to Poindexter. Although there may have been out of my presence.

Q You were tasked with finding out whether or not any of these documents got to the President.

A Right.

Q By some other system or some other manner?

A Yes.

Q What did you do to try to find that out?

A I went down to Thompson's office, told him that that is what I wanted to do. He--and I described the nature of the search and the need to search all the systems that would produce documents to the President. He said okay, we'll do that. He came back at some point with a lady, his executive secretary, and she brought me some documents that were responsive.

End SLK

OM[illegible] 6:00
P

BY MS. NAUGHTON:

Q Do you remember what her name is?

A No, she looked to be about 50, with brown curly or wavey hair, sort of short, but I don't remember her name. She had some documents which I looked through, and I said, "How have you searched" and she told me the six or seven terms she used.

There were things like Iran arms shipment, Nicaragua, contras, that sort of thing, and I questioned her about it, saying, "Well, would this kind of document show up on this search, and does your computer scan all that kind of thing, and satisfied myself that this would have been found, and she said, "We will make sure it is," which she did. And I don't think she brought me a second load of documents. I think Thompson came in and said, "That is all we found."

In that group of documents, I recall one document that was relevant, which was minutes of an NSPG, I think, a meeting where third country assistance to the Nicaraguan resistance was discussed, and the Secretary of State specifically was talking about it.

There was no mention in that meeting, in those minutes, at least of the use of the arms shipment proceeds to fund the contras.

UNCLASSIFIED

Q Do you recall when that meeting was?

A No, I did then, but I don't. We turned those notes over, though. I tend to think it was sometime in 1986, May or sometime in the spring, early summer of 1986, but that is just the vaguest recollection.

In the meantime, I looked through Thompson/ Poindexter file, saw the findings of 6 January, saw a document of -- at the time I looked quickly. There was nothing that the President had signed other than the findings.

I think a copy of the second findings was in there, but I am not crystal clear. But there were a number of documents which said, "Shred after reading," that sort of thing, which were scenarios of events involving arms shipment, hostages. I took one page of notes on these and one of the interests. Things that I recall was that they expected Khomeini to be dead on a certain date, and that -- which was, I thought, was very interesting. There were one or two other things.

I took a note in addition to the 17 January findings in the 6 January finding, which was the words, "third party," and one or two things like that. When I finished that, I went up to Wallison's office and reported to them that there was nothing else there that I saw, looked over the statement. I made those comments to Cooper. He said, "That is already being fixed." I don't remember what

UNCLASSIFIED

it was, but it wasn't much, and then I think we were told that we knew that NSC was going to meet with the President, I think, in the Oval Office, and then the Congressional Leadership was going to be briefed, and we were told that we would be -- Tom Dawson, Regan's aide, you and Cooper will be in the Congressional briefing. And the next event that I recall was being in the Congressional briefing waiting around outside the cabinet room while they all showed up.

Q If we can go back to the documents, given by Paul Thompson's executive secretary, were any of those System 4 documents?

A Don't recall. I did not focus on that. I might have seen a System 4 up there, and it did not register at all.

Q When you did see the finding of January 6, was it in with other documents, or did he retrieve it separately?

A It was in the pile. Let me think here. He showed it to me, but I tend to think that he showed it to me and said here is this, and then put it down, and I went ahead and went through other things. I think it was in a folder by itself. I think it was the original.

Q Do you remember seeing ink?

A Blue ink. I think it was signed in blue ink by the President, and it was -- I don't know if the -- what I can't remember is if the editing was done on the original or on a copy. I don't remember that.

Q Now, as of Tuesday morning, was it clear that this was going to be the Presidential statement and the Attorney General having press conference?

A Yes.

Q So the format was already established by then.

A Well, over the course of the meetings there it may have come out of the 8 o'clock meeting or we might have met Meese and Regan back in the office at 10:00 but I am not sure, but at some point over the course of the meeting I knew before the Congressional Briefing, I knew that we were going from that to a press conference; that Meese would take the main lead in addressing the press.

Q The Attorney General mentioned in his presence that the matter would be referred to the Criminal Division.

A That is probably correct, I don't. I haven't looked at the transcript recently. I did look at my notes of the Congressional Briefing where he indicated that this would be reviewed for any criminal liability.

Q When was that decision made?

A I don't know. I think that is my first recollection of it, of hearing that. There had been discussions Monday. There had been discussions after the North interview Sunday night or Monday morning, that this presented new legal

UNCLASSIFIED

problems, which I guess is an obvious enough conclusion, and Cooper had undertaken to determine and the example I specifically remember is when the Boland Amendment was in place, and if so, what are the implications of that for this transaction. And I recall that there were, I believe there was a conversation about that on Monday -- yes, Boland was passed on X date.

I don't recall any discussion of -- although there may have been, Meese may have said something like see what other laws are implicated by this, but I am not crystal clear on when that was. I know Cooper would probably be clearer because he was tasked to do it.

But, I know that on Tuesday, when we got back, it was formally kicked into a criminal investigation.

Q Bringing Mr. Weld and Mr. Trott into this?

A Yes, sir, and he met with Webster and I think they talked about getting -- I guess the first meeting was with Weld, Trott and et al. He met with Webster about having a team of agents put together that could work very quickly on this.

Q Do you know whether this meeting was at the Attorney General's impetus or Mr. Webster?

A Yes, I think he asked. I believe he asked Webster to come over and meet him. I could be wrong on that. This was a matter that they had discussed before.

Q Were you present when they discussed it on Friday?

A No.

Q Was anyone to your knowledge?

A I don't think so.

Q Were you present when they discussed it on Tuesday?

A No, not on Tuesday, not that I recall. Well, let me take that back. I don't think I was, no. It is possible. I don't know if I got an entry that indicates that. This 25 November entry in Exhibit 2 indicates that I was present in the meeting with Webster--2:05 Meese, Webster, Arnold Burns, Cooper, Richardson, Cribb, Reynolds, and Trott joined the meeting at 2:20.

So I was present, I guess, when that -- when they decided it is time to go criminal. I don't recall that.

Q The meeting the next day, the large meeting when representatives of the FBI were present and so forth, was Mr. Webster present, do you recall?

A I don't think he was.

Q But are --

A I think Floyd Clark was present.

Q But you recall him there on the 25 meeting at around 2:00?

A Yes.

UNCLASSIFIED

Q Was there a discussion then of securing the

SECRET

UNCLASSIFIED

documents at the White House on the 25th?

A Yes, on Tuesday the 25th, Meese instructed Arnold Burns to call Wallison and the reason is any time there is communication between the Justice Department and the White House on pending cases or such as it is between the Deputy's office and the Counsel's office, to call Wallison and make sure that they secured North's documents, Poindexter's documents.

Q Do you know when that was actually done?

A I know it had been done at the end of the day. My recollection is that there was a meeting again at the end of the day, and where we were reviewing, I had been tasked to draft a piece, written document, request a document description of all these documents should be located and held for the Bureau, and we were going over that at the late afternoon meeting and --

MR. MCGOUGH: Would this be the 6:40 meeting?

THE WITNESS: Yes. I think Meese asked -- Meese said something -- Meese said, "Have the documents been secured," and Arnie said, "I haven't got through to Wallison," or something like that, and he left the room and did so. I recall he came back and said Wallison has already done that, something along those lines, which makes me think it was taken care of on Tuesday afternoon.

UNCLASSIFIED

BY MS. NAUGHTON:

Q The letter that you drafted, do you know when that was sent?

A Well, it wasn't a letter. It was plain white paper, a paragraph, describing the field of documents, and I don't know when it was sent. I don't.

Q Who was in charge of sending it?

A I think it was to be an Arnold Burns to Peter Wallison memo, but I do not know if it was in fact sent. I know that a group of letters were sent. I guess this was -- Wednesday was the day before Thanksgiving. I think the letters went Friday to Cabinet officials asking for documents on the subject, and I don't know if Wallison instead got one of those letters to make the formal request or if there was a memo.

I just don't recall.

Q Who was in charge of drafting the cabinet letters?

A I don't know.

Q When was the possibility of appointing independent counsel first discussed?

A I don't know that.

Q Well, at some point it was discussed in your presence, I take it.

A It sure was.

Q Was it discussed with Trott and Weld when they were brought in at 2 o'clock?

A It may have been. I just don't recall the first time it was discussed. I mean, it was fairly soon after this issue, after it became a criminal investigation, because one of the first -- we have had a number, a lot of experience with these matters, and having independent counsel investigations, and one of the early things on the table was whether this first triggering mechanism had been met. And I mean I recall discussions of whether North was a covered person or Poindexter, and that sort of thing.

I am not sure when they began. Not before Tuesday afternoon, I am sure of that.

Q There was some discussion along those lines, was there not?

A Yes, sir.

Q About appointing instead a "special prosecutor," that would be a part of the Department of Justice, but sort of on a separate track. Do you recall that discussion?

A Well, I did not until you mentioned it. I vaguely recall that. There was considerable discussion about whether there was enough information or criminal conduct and/or criminal liability to proceed with an independent counsel, and there --I remember specifically thinking that we weren't quite there even when the decision was made -- Weld, I recall, had problems although he was-- he had produced a draft that cited every statute in the code practically. There was a lot of concern that if we followed the law, the independent counsel statute, we were not in independent counsel territory based on facts, and the laws that we knew, and someone, I think, surfaced this as a concept that we will because of the political climate, what you might want to do is look at appointing someone to operate independently, but not within the independent counsel's statute.

I don't think that was -- my recollection it was very much a passing suggestion and not an option one or option two.

Q Do you know what the Attorney General's position was Wednesday, the 26th?

A I couldn't --

Q Regarding the counsel?

A Well, I think his -- I don't know as of Wednesday, the 26th. His view had been, as I recall, he had expressed this view, this was -- this probably was going to end up with an independent counsel, but we based on discussions he got out of it in terms of doing interviews and that sort of thing, after we turned it over to the criminal side, and it was in the mode of Trott and Weld coming up and saying, "Well, this is what we have got, these laws, these facts."

independent counsel, and that being the sort of terms of discussion, and I don't think this other business was a serious option.

But the conversation kept coming back to well, we don't really have enough to proceed under the independent counsel statute yet. Then Weld came in the first or second day with a rash of legal theories that how one could have criminally built ranging from conspiracy to violation of civil law like the Boland Amendment was a crime to all kinds of fraud prospect based upon not knowing who did what with these amounts of money and where they went or the intermediate theory of this was government money, and it is fraud against the government.

So they had that kind of range of things. No facts to back them up yet.

Q Once Mr. Cribb got into it, and when he returned from his trip and came back on Monday, and took part in several of these meetings, did you know whether or not he took notes?

A I don't know whether -- I did not know whether he did or not.

Q Is it typical for him to take notes in such a meeting?

A His typical approach was to take action notes so he would have a list, and if he were to do something, he would take a note down, but he did not take, as a rule, meeting notes or that sort of thing.

Q Was there anyone assigned or anyone who generally took such notes that you have described as meeting notes in the Monday morning staff meetings, the preliminary meetings or 8:30 meeting?

A Yes, I always took notes in the 8:30 meeting. I have a spiral notebook that eventually-- I regularly listed it in spiral notebooks.

As an aside, these notebooks I bought with my own money so that my attempt was to create a personal record that I could take home and that would be of historical and personal use so it would not be a document subject to FOIA. So it was more of a -- I took action items on occasion in there, or occasionally on a yellow sheet, but I was the principal note-taker.

Now, Meese occasionally took action notes out of the 8:30 meeting. I have since learned, though, I didn't really pay attention. Occasionally people write down things they are supposed to do. Terry Eastland, who is Director for Public Affairs and Randy Levine, who is in the Deputy's office, he took more systematic notes. I really wasn't aware of that. I don't think anyone at the 8:10 meetings -- there are only five of us in there -- takes notes. For a time I used to take 8:10 notes in my binder with the 8:30 meeting notes, but I stopped doing that.

Q And regarding Mr. Bolton, these staff meetings and these meetings that he attended on the 20th and possibly the 21st, do you recall whether or not he took notes?

A He does take notes. There are not comprehensive notes like I try to take. He takes action notes, that he has a small pad that will fit into the inside of the coat pocket, and if Meese asks him to do something or check up on something, he will jot it down.

Q Now, we are going to go through just a few more documents.

MS. NAUGHTON: If you could mark this one next in order, please.

(The document referred to was marked for identification as Exhibit JR-10.)

BY MS. NAUGHTON:

Q Now, Exhibit 10 is a document taken from the spiral notebook, dated 29 October 1986. Are those your notes or the Attorney General's?

A They are my notes.

UNCLASSIFIED

Q This is the discussion of the requests by the House Judiciary Committee members regarding independent counsel to be appointed. If you could review that and tell me what the discussion was.

A Okay.

Q Can you describe to us what that discussion was about?

A Okay. It is not clear who is speaking for the first entry because you can -- I would have written someone's name up here with a colon and made a point here, then went on to these, so someone --

Q If I recall, for the record we have a redacted copy.

A This is a redacted copy. Whoever has -- the redaction has also included the name of the speaker for the first entry on the note. But it refers to a Conyers letter, and independent counsel request. Our response-- this is me interpreting my notes -- our response was to ask for more specific information, if any. Then we would review that information.

Then speaking to Terry Eastland -- I would guess. Well, I don't know this -- speaking to Terry Eastland, the statement put out a press advisory that there is not "a preliminary investigation" to set the record straight, public record.

That is, the letter that had been received had not triggered a preliminary investigation, but instead we had asked for more specific information. It may just be based on a press report, which occasionally would happen.

Then Weld says, "Let's just get the word out, to make clear what our position is." And Eastland says, "We will be sure to make sure certain large media know." Then Cooper says, "There is lots in OLC on triggering the Independent Counsel Act and the Neutrality Act."

That entry means that OLC has a lot of institutional learning, legal analysis and opinions on both questions, triggering the Independent Counsel Statute and the neutrality and/or Neutrality Act.

Q Then there is a portion that is redacted.

A Yes.

Q Can you tell us what that was?

A No, I have no idea.

Q Then, the subject is apparently --

A Then --

Q We do have this on the same subject, the portion.

A Right, it says, "Provide some briefs to Griffin Bell on Neutrality Act." I guess that is to Griffen Bell when he was Attorney General, but I don't know. Then it says "others which are non-public are available."

Then there it says, "AG," with an arrow to Cooper, "Do a FOIA analysis. OLC will work with Criminial Division."

Q What did that mean, do FOIA analysis?

A I think that referred to -- well, I am not sure, but my guess from looking at this is to determine if OLC opinions are subject to FOIA. I don't know why one would have that. But this here mentions non-public opinions available. He probably said would these be discoverable to the public under FOIA.

I guess they could have been implicating a number of things. Either a FOIA request had been received or this line, they were saying how would we draw the line under FOIA for whether to make this public or not. That may have driven the decision about what documents to release.

Q All right. Going through the rest of these in no particular order, we could mark this Exhibit 11.

(The document referred to was marked for identification as Exhibit JR-11.)

BY MS. NAUGHTON:

Q Exhibit 11 appears to be actually a little drawing of a balance of scales. One says arms to Iran; the other scale says intelligence to Iraq. It is on white stationery. Do you know who drew that?

A The handwriting looks like the Attorney General's. I don't know if he drew this or not, but it looks like his handwriting.

UNCLASSIFIED

Q At any rate you did not.

A No, I did not.

Q This could be marked Exhibit 12, please.

(The document referred to, was marked for identification as Exhibit JR-12.)

THE WITNESS: This was found in his office, by the way.

BY MS. NAUGHTON:

Q Exhibit 11 was found --

A In the Attorney General's office, or files, I should say. I am not sure whether it was in his office or in his files.

Q Showing you exhibit 12, then, which again is on White House stationery, it says at the top, "any other facts." Is that your handwriting or the Attorney General's?

A The Attorney General's.

Q Were you present when there was a conversation to this effect?

A I don't think so. This entry says, "any other facts." That is Number one. Number two, problems, "broke no laws, defensive weapons." It is possible that that conversation occurred the morning of the 25th and/or at some point when I was either present or not. It is not dated, and I know that this was, again, found in the immediate offices of the Attorney General, either in

UNCLASSIFIED

there was nothing else to indicate what it was.

Q Were you involved in the document production to the Select Committees?

A Yes.

Q And I take it then if this document was produced to the Select Committees, it was thought to be relevant to the investigation. In other words, this is not about some drug case or something, is it?

A Well, we didn't know. When we found this, when we looked at this, it said defensive weapons, broke no law. We weren't sure what it meant, and it wasn't in any particular file.

As I recall, it was in a pile of miscellaneous material, so I am not sure.

I wanted to be sure to turn it over, anything that was a question mark over.

Q The next exhibit to be marked is 13, please.

(The document referred to was marked for identification as Exhibit JR-13.)

BY MS. NAUGHTON:

Q Directing your attention to Exhibit 13, then says "Nicaraguan Angle."

A Yes.

Q "Contras funding."

A Yes

Q Is this your handwriting?

A Yes.

Q Do you recall when that document was generated?

A It was generated, as I recall, over the course of the weekend, probably Sunday night, because it was clearly after the North interview. Because the information contained in entry 1 is all post North interview.

Q Okay.

A It might have been Monday, but this may have been one of the things I was doing Monday. I would bet it was Sunday night, though.

Q Were these notes done in a meeting, do you know?

A I don't think so. I think they -- I might have been in a meeting, and I was writing this down on my own, but this did not represent the discussions in a meeting. This was representing my thinking and my organizing.

Q Did you show these notes to anybody?

A I don't think I showed them to anyone.

MS. NAUGHTON: If we could mark the next one as Exhibit 14.

(The document referred to was marked for identification as Exhibit JR-14.)

UNCLASSIFIED

BY MS. NAUGHTON:

Q And Exhibit 14, then, is a document with a heading, "Why? There is." Could you tell us when this document was generated?

A This is my handwriting. I wrote it, I believe, very late Saturday night or in the wee hours of Sunday morning.

Q Did you write this at home?

A Yes.

Q And could you tell us what the discussion is, I guess, you are having with yourself?

A Yes, that is right. I was writing down possible reasons for some of the things that were going on. One, more extensive relationship with Iran, which I guess I am restructuring, but I think that simply means to the greater strategic opening rationale, Iran strategically located, all that sort of thing.

Number two, more extensive relationship with Israel. I think that refers to the principal reason for the initiative is trying to be cooperative and build our bridges with Israel. As you can see, no weight assigned to any of these theories, and they are marked, "theories."

Three, relationship with Nicaragua. Four, cover own tracks, and this -- do you want me to read the --

Q Yes.

A The "cover own tracks" -- drew strict limits vis-a-vis arms, but McFarland present, North, others,

UNCLASSIFIED SECRET

b. 21

question mark, went beyond that, unauthorized agents in September/November transactions.

Q These, I assume, are the 1985 transactions?

A Right. And this again, I showed these to no one. These were me sitting down trying to think up what could have led to all of this and the prospect was that the President had, might have said no arms, but we will explore the initiative and McFarlane and others went beyond that and beyond arms in the things, and therefore the September/ November transactions might have been authorized by someone, but not the President, and that they were trying now to cover their own tracks on the September/November shipment in terms of authorization.

Number five, again, says, "Cover own tracks." Arms deal with G, probably meaning Ghorbanifar, a loser, not really with effective present prowess faction. That would have -- I guess I was thinking there that it was described as stratigic initiative and that it was described as strategic initiative and that sort of thing, but it really turned out to be loser of the deal, not what they expect, and now there was concern on that end.

Q You have a reference at page 4, September 1986 minutes. What is that a reference to?

A I wonder if that is a reference to the chronology.

Q It refers to minutes.

UNCLASSIFIED

A September -- what would have been in September 1986? I don't know what that refers to.

Q I gather you did have your documents at home with you. Were you looking through them as you were writing.

A Gentlemen, I was flipping through the documents. Entry four has a present footnote -- McFarlane and Shultz.

Q Number six says?

A Six, "Reasons for secrecy, Soviet anxiety." Again, it refers to minutes, September 1986 minutes.

Q Okay. And finally, seven.

A Seven says, "Involvement of Vice President, Regan, Casey, Poindexter, Tompson, CIA personnel [redacted]

[redacted]

Q What does that refer to?

A I don't know other than what it says. This may have just been we should check the involvement of these folks.

MS. NAUGHTON: Mark this Exhibit Number 15, please.

(The document referred to was marked for identification as Exhibit JR-15.)

THE WITNESS: I should just say if I had known these were going to be preserved for posterity's sake, I would have written more extensive explanations and not have put down -- I don't know if I would have put down all these sort of theories, but anyway --

Q I am mostly concerned with identifying and --

A I would like to know myself. Okay. Exhibit 15, this is my handwriting. I think that the bottom half of this where I have got numbers 1 through 4 are questions that I wanted to ask North, and which were jotted down during the North interview when other people were questioning him.

I have checked, I have got a check mark of things which I believe represent that I asked that question.

Q So this document was generated, then, sometime Saturday?

A Sunday afternoon.

Q Afternoon.

A These are contemporaneous notes taken during the interview. You need to ask North this. And, it looks to me like the top half was some existing document, some existing notes. The bottom half I had flipped open as writing down during the interview.

Q The reference to [redacted] do you recall what that is a reference to?

A What comes to mind is I believe that there was some [redacted]

Q Provided to the Iranians?

A Well, either they or the Iraqis. Probably the Iranians. Very fuzzy recollection of something like that. But I think it was [redacted] The entry above is intelligence exchange, so I think that is probably what it refers to.

Q Then there is a reference to Ghorbanifar money.

A Then present other lost money.

Q Then there is a parenthetical, Casey. Apparently Weinberger, Shultz, Vice President.

A There is another entry here that says Nicaragua angle withan arrow, and it lists North, Poindexter, McFarlane, Regan, Thompson, RR. And to the right of that is Secord. I have checked off in front of the names North, Poindexter, McFarlane and Secord.

I believe that indicates those are people that we knew about the Nicaraguan angle. Besides Regan, Thompson, and R.R., I have got a bracket with a question mark. That means we don't know what these three know.

Then there is a third-- second or third list depending on how you are counting, says, "Casey, Weinberger, Shultz, VP," with a bracket on the side. We don't know what they know either.

Q Was Paul Thompson ever asked if he knew of the diversion?

A I don't think he was.

Q Was there any discussion as to whether to ask him or not to ask him?

A It was by time -- I think that it had well moved away from finding out everyone at that level who would know. I don't think there was that discussion.

Q Then there was a reference to see McMahon, Secord, Cave. Are those people that should be interviewed?

A That's how I would interpret it now, but I don't know.

Q Were these notes taken again on your own or at a meeting.

A These were my random notes of -- I expect what I did, probably have written down -- this is my guess in trying to reconstruct these -- the top part of these were -- and I got a line drawn, top third, I think are things I thought we might want to cover with North. I am guessing.

When we covered certain individuals, we checked them off. I checked them off. The bottom third I know was covered-- I did during the North interview. The middle third I am not sure about.

Q Okay. We could mark these two next in order, 16 and 17.

(The documents referred to were marked for identification as Exhibits 16 and 17.)

BY MS. NAUGHTON:

Q Exhibit 16 appears to be a document, not dated. Three areas vulnerable, apparently.

A Yes.

Q Abbreviation. Could you tell us when that document was generated?

A No, I can't.

Q Are these your notes?

A These are my notes, both 16 and 17. Sixteen, three areas of vulnerability, and I have only listed one, which are the TOWs, 508 TOWs and the Hawks. And the problem listed no reporting, AEC a violation, or if acquiesced, Hughes, Ryan, no finding. This is probably Sunday evening. Could be earlier, but I think it is probably then, sometime over the course of the weekend.

Q Okay.

MR. MCGOUGH: To which transaction, if any, does that relate?

THE WITNESS: The number one? The TOWs and --

MR. MCGOUGH: TOW 508.

THE WITNESS: September/November 1985, those two transactions.

UNCLASSIFIED

BY MS. NAUGHTON:

Q Okay, and the next exhibit, 17, which simply says, "Tell R.R., re Nicaraguan angle," right?

A Yes. That is -- would have this after the North interview. This would have been -- it is an obvious thing to tell the President about it.

Q Well, do you recall first why you wrote that? Firstly, did you write that?

A Yes, this is my writing. As I recall, I had a legal pad and I flipped over and wrote down Exhibit 16, three areas of vulnerability and started on one. I don't know why I didn't finish with the other two, and flipped the page again, and tell R.R. re Nicaraguan angle.

When this was found, I think when I produced this stuff, they were the first ten pages of a legal tablet, and so I assume pages were, as can be obvious in reviewing them now, were scrap paper rambling thoughts, that sort of thing. This is not a redacted document. There is nothing else on the Exhibit 17.

The original of all of these, by the way, are in the hands of the independent counsel.

Q Do you have any of your original documents in the hands of the Wedtech either independent counsel or held at the White House for the Wedtech independent counsel?

A Are any of them being held?

Q Yes.

UNCLASSIFIED

A Not of my documents. Only Meese's spiral notebooks.

Q So all of yours are with the Iran Contra independent counsel?

A Yes, except with the one category of the staff meetings notebooks, I don't -- I am not sure where they are. I think we have got them in our control room, but I am not sure.

Q Now, were these exhibits, 16 and 17, taken at meetings or again are they just your own thoughts?

A I don't recall. These may well have -- if I were guessing, I would say they were probably taken during team meetings where we sat down and sort of were reviewing the bidding where we stood thus far.

Q And --

A They are probably my thoughts.

MS. NAUGHTON: If I could have these marked -- these exhibits marked Exhibits 18, 19 and 20.

(The documents referred to were marked for identification as Exhibits JR-18, 19 and 20, respectively.)

BY MS. NAUGHTON:

Q Okay, I direct your attention to Exhibit 18, which is at the top marked "508 TOWs." Is that your handwriting?

UNCLASSIFIED

A Yes.

Q Do you recall when you generated that document?

A No.

Q Was it sometime during the weekend?

A It might have been. I would tend to think, well it was certainly after the North interview because of the Nicaraguan angle mentioned, and it may have been -- this may be why Exhibit 16 only has one area because here it breaks out number 2 is 508 TOWs and, legal problems with those number two is Hawk shipment, and,three, legal problems with those.

Three is Nicaraguan angle. So that makes me thing it might have been Monday. Could even have been Tuesday. I would guess it was probably Monday.

Q Then four is criminal prosecutions.

A Yes.

Q And five says, "Secord."

A Yes.

Q Do you remember why you are listing those, what do you have in mind when you put these things together?

A Well, I don't know. I didn't know Secord until the North interview. That helps date it as well. It is clearly sometime after that.

Criminal prosecutions was not on the table until late Monday or Tuesday, as if that refers to the criminal liability of the individuals involved in this. May be that, I don't know. I think it would not refer to armed shipment because I think I would have written those that way. I

UNCLASSIFIED

think it tends to refer to criminal liability of the individuals involved in this.

Q And Exhibit 19, which is entitled, [redacted]

A That is my handwriting. [redacted]

Q Now is this pursuant to a meeting or is it pursuant to just --

A I think this looks like just a scrap note of mine because one of the entries shows the lunch time on Saturday.

Q What is the reference to [redacted] do you recall?

A No.

Q And Exhibit Number 20?

A Twenty is also my handwriting. Miscellaneous notes.

Q If I could look through them.

A Sure.

Q There is a reference to a date on the bottom, 21 November. Do you recall when all of these notes were taken on the 21st of November.

A No, I don't recall that.

Q Okay. Let's start at the beginning, then.

A What makes me wonder, on the bottom left corner it shows the Friday interview of McFarlane. That was the 21st, though. Right?

Q Yes.

A Maybe it was, I don't recall, though. I'm sorry.

Q The top says Sporkin.

A Right.

Q Upper right-hand corner an A.G. notes telephone logs. Is that him instructing you to keep notes and logs of weekend activities?

A I don't know. It might be, but I don't know.

Q Is there anything else that it could be a reference to?

A Unless it is an instruction for me to check notes or telephone logs, but I think that I would have listed that differently. I think that is probably what it refers to.

Q And then it says, "Monday."

A JRB.

Q That is Mr. Bolton?

A Yes.

Q It says A.G. -- some on hill.

A Re law.

Q What does that mean?

UNCLASSIFIED

A I don't know what that means.

Q Then A.G. call Poindexter, Casey, Regan, Sporkin. What is that a discussion of?

A Well, it is in the margin from that it says, Sunday talk shows." I think this was to make sure that no one from the Administration went on the Sunday talk shows to talk about the Iranian initiative.

Q Do you know if those calls were made to --

A I think Meese called -- well, I think he called Regan.

Q For him to call these people not to appear on the talk shows?

A Yes. I don't think he called all of them. I think it was just Regan. In fact, the Regan entry may refer to the Sunday talk shows, and the other two just to making -- that he wanted to make those calls, but I don't know. This would, the next entry says, "Office coverage for the OAG," which is our office on Saturday. One with the AOG, one if the front office that refers to our secretaries.

Q Moving down here, if you could dicipher these **these** notes for me.

A Okay, right here.

Q Yes.

UNCLASSIFIED

A This is a circle in the bottom. It says, "Bolton debriefing on Senate Intelligence hearings present." Bolton was present, and he gave a debriefing on the hearings during the meeting at 2:25 on that day.

It also says with Casey, present, CIA something. Don't know what that says. It says, "Armacost, Armitage."

Then, it says, "dash, House present, will get Hyde debriefed."

As I recall, he was not permitted to attend the House Intelligence Committee meeting, and said he was going to try to get debriefed by Congressman Hyde.

Q Do you know if that occurred? Did he later report?

A I don't recall whether that happened or not.

Q If we could mark that exhibit 21, please.

(The document referred to was marked for identification as Exhibit JR-21.)

(Recess.)

BY MS. NAUGHTON:

Q Turning to Exhibit 21, are these your notes?

A Yes.

Q Were they made on the 25th of November?

A Yes.

Q If I could look at it for a moment.

A Sure.

These were taken by me when I was going through documents and in Thompson's office.

Q Okay, my question is the third entry says, "Ollie memo in mid file. Ollie brought over last night." Do you recall what that is?

A No.

Q Are you telling --

A I think the phrase, "Ollie brought over last nigh," means that was a notation on the memo. Like Ollie brought this over last night.

Q Do you know which memo that refers to?

A No.

Q Then the next reference is to JP memo to RR, the 17th finding. Then, on the second.

A One of the things I found interesting that go get Weir out revolutionary guard had to storm the building and demand release of one hostage. It showed that they aren't clearly in the pocket, but it is things like that I thought were --

Q Now on the second page, there is --

A I corrected myself. It wasn't Khomeini dies, it is Khomeini steps down on the 11 February. That was in the plan.

Q On the second page it says Casey told 14 December note. Do you recall what that is?

A Vaguely I do because there is a note in there. It said something like Casey was told on 14th of September-- didn't say what he was told, didn't say. It said-- I can't remember precisely, but it said something about Casey being informed about something on the 14th of September.

UNCLASSIFIED
SECRET

Q Was this a handwritten note?

A I think, yes, it was.

Q Do you recognize whether it was Colonel North's handwriting?

A No.

Q Did you ask anybody about that reference?

A No.

Q Did you get a copy of that note?

A No.

Q Did you get a copy of any of the documents that you were shown by Mr. Thompson?

A No.

Q Have this marked Exhibit Number 22.

(The document referred to was marked for identification as Exhibit JR-22.)

BY MS. NAUGHTON:

Q And Exhibit 22 is, again, 25 November, 6:40 p.m., press update guidance. I want to ask you on the second page --

A This is my handwriting, by the way.

Q Thank you.

On the second page it says Weld, Secord, recently criminal target.

A Yes.

Q Do you know was that the first time this was brought to your attention.

A Yes.

Q Secord had been a criminal target before.

A Yes. I think he referred to, as I remember, an investigation in late 1979.

Q Okay, did he say what about?

A Well, it remains in my mind something to do with Wilson, but I don't remember if he mentioned it at this point or if I heard that later.

Q Okay. If we could mark this Exhibit 23.

(The document referred to was marked for identification as Exhibit JR-23.)

BY MS. NAUGHTON:

Q The front page of Exhibit 23 says please note that the attached document was typed prior to March 15, 1986.

A Yes, sir.

Q And the second page is a memo to the Attorney General from MAM. Who is that?

A That is Marlee, M-A-R-L-E-E, Melvin. She was confidential assistant personal secretary to the Attorney General and this came out of her files. She is now a special assistant. This came out of her files that she maintained when she was confidential assistant, and so page 1 indicating that it was typed prior to March 15, that is the date she changed jobs. So we deduce it was typed while she was back in the --

Q Excuse me. When did she change jobs?

A It was in March of 1986. Probably early March, but we --

Q And if you could please just read that short memo she typed.

A Says EM, it is on Office of Attorney General stationery. "EM, Oliver North's office said you agree with Admiral Poindexter to see North today? Do you want to meet with him after judicial selection at White House and delay your departure for home? Or what? Meeting should last 15 to 20 minutes. Contact Fawn at 395-3345, MAM, 12:30 p.m." Then there is a handwritten notation which is Meese's handwriting says, "4:55, A with a circle, Roosevelt Room, 4:50."

I would interpret that to mean Meese met him ahead of judicial selection 5 o'clock in the Roosevelt room.

Q Do you recall when this judicial selection was?

A No, they are normally on Thursdays.

Q Did you ask Ms. Melvin about this note?

A I did. She didn't have any -- it was not with anything that would assist in determining what it meant or what it was or when it happened.

Q All right, if we could mark this as Exhibit

UNCLASSIFIED

Number 24.

(The document referred to was marked for identification as Exhibit JR-24.)

BY MS. NAUGHTON:

Q Exhibit 24 is a document on the front of which says, "This document cannot be dated nor can subject matter to which it was related be recalled." Did you draft this cover?

A I don't think so. I think that was done by lawyers in the Office of Legal Counsel. But it might have been done by one of the lawyers on our staff.

Q Do you know whether it refers to the statement "nor can the subject matter to which it was related be recalled," does that -- who doesn't recall it? In other words, who was queried? Do you know who was queried as to whether they could recall it?

A I don't know. I might have asked the A.G. if this meant anything to him, but --

Q The second page, for the record, is on American University stationery.

A Right, apparently Office of the President.

Q Right. And the notes regard Adnan Khashoggi, Robert Shaheen, S-H-A-H-E-E-N, and McFarlane has not seen the memo of 20 March.

When you asked the Attorney General about this did he recall this document?

A I don't know that I did. I probably did, but because I tried to go through the unidentified notes with him. I don't think he recalled it.

Q Do you know whose handwriting that is?

A No.

Q Was this found in this file?

A I know it was found in our office, I think. I don't think it was in any particular file.

Q Do you know on what occasion that was at the American University.

A No.

Q Other than what is an apparent from the page, do you know anything about that?

A No, no idea.

Q Okay. If we could mark that, please, Exhibit 25.

(The document referred to was marked for identification as Exhibit JR-25.)

BY MS. NAUGHTON:

Q The cover of Exhibit 25 says, "This document cannot be dated nor can subject matter to which it is related be recalled."

The second page of the document is on White House stationery.

A Right.

Q Could you read the note?

A Yes, it looks like the Attorney General's writing, and it says maybe we should contract the job out to the Israelis.

Q And do you know when that document was generated?

A No, I don't. We had one other -- the drawing of the scales -- it is in the Roosevelt Room. The pads on the tables are plain, so this would not be in the Roosevelt Room meeting. I don't know what they do in the Sit Room where they have the NSC meetings. It may be they use these pads down there, and this was written and showed to someone during a meeting.

Q Did you ask the Attorney General about that?

A I believe I did, and I don't think he recalled anything about it.

Q And the next -- finally, believe it or not, Exhibit Number 26.

(The document referred to was marked for identification as Exhibit JR-26.)

BY MS. NAUGHTON:

Q Okay, 26. Is that all in your handwriting?

A Yes.

Q Now, the top reference is Casey, Poindexter and brackets, and says, "misstatements to Congress/."

A It means Senators. S-E-N-S.

UNCLASSIFIED TOP SECRET

Q Do you know when that document was generated?

A No. Although it is at the bottom, it is dated 24th of November with a lunch time. Then 1:30 to the White House VP at 1:40.

My best estimate would be it had been done that Monday the 24th. I don't know. I don't recall that.

Q The reference to Poindexter and Casey misstatements to Congress, do you recall was this note taken during a meeting?

A I don't recall.

Q Do you know when you wrote it down, what you were thinking?

A No. I gather, trying to think back on Monday, information learned over the weekend have been different from information provided Friday, and that probably is what it refers to, but I don't recall.

Q Was there a discussion at any time during the weekend? Let's start with Thursday and work through Tuesday; that there was a possible violation of law in that Casey or Poindexter may have made misstatements to Congress.

A No. There was no discussion about possible violations of the law from that being done.

Q Was it discussed regardless of whether there was violation of law that they had made misstatements.

UNCLASSIFIED

A I don't recall any discussion about there having been misstatements to Congress, no.

Q You can't recall what made you write that note?

A No.

Q Did you read the transcript of the Attorney General's deposition?

A No. I read the first paragraph of the deposition with you, I guess. That is the only one I know of.

Q Yes. Do you know anybody who read it other than the Attorney General?

A No. Steve Matthews may have read it, but I don't know for a fact. I provided it to him. He is keeping custody of some of those things.

Q Okay, those are all my questions. Thank you for your patience.

EXAMINATION ON BEHALF OF SENATE SELECT COMMITTEE

BY MR. MCGOUGH:

Q Do you ever recall seeing Colonel North in the Attorney General's office or visiting the Attorney General at his office.

A No, but the one meeting that apparently occurred which was January 6, 1986, was before I was Chief of Staff, so I would not-- I would not know -- be in a position to know that and to keep track of that. After March -- really effective February of 1986, but in officially first part of March of 1986 I was Chief of Staff, and I would have known.

Q There were references very early on in the depostion to [redacted] and one that you believe you saw. Was it only one that you can recall seeing or might there be more than one?

A There might have been more than one, but I only recall one.

Q Can you put any kind of time frame on it? I believe they were talking about the fall of 1985 as being possible -- do you recollect it being in the fall of 1985?

A No.

Q Could it have been in 1986?

A It could have been 1986.

I took on new duties in March of 1986, as I said, but I kept the [redacted] on portfolio for several months until it just became -- I just decided to put another lawyer on it, and get them trained up. I think it was certainly months before that occurred, and even still it was possible, as I recall. I tend to recall this as a rush sort of rush job, and on various sensitive or very urgent things.

They would come, might come to my office, I would handle it personally.

Q Do you ever recall being contacted by anyone outside the Department of Justice with a request that a [redacted] be expedited?

A Yes, well I was not, but I recall one incident where such a call was made and Bill Casey called the Attorney General about having expedited a [redacted] and I spent Friday night until 1:00 in the morning with Webster's guy, and then met Meese at the White House Saturday morning early. He was at a breakfast or something and got that down.

Q Do you recall did that relate at all to either Iran or Nicaragua?

A I just don't recall. I don't remember what the subject was. I could try to go and pick it out, but I don't recall the subject.

Q Do you recall any time frame on it.

A Well, I know I still lived in McLean, but that doesn't help us much. That means it was before January of this year. So, no, I don't really.

Q Do you remember where the Attorney General was the next morning.

A He was at the White House Hostage -- a coffee and doughnuts for a group that --

Q Was this an irregular enough occurrence to help you fix it?

A Yes, sir. If it appeared on a schedule, it may

UNCLASSIFIED

well appear on a schedule, but it was probably some group like Junior Statesmen or he does a lot with them. There are several youth groups, kids coming in, interns and that sort of thing. It may have been one of those.

I tend to think it was the Westpoint cadets maybe in 1986, be my guess. I might be able to track that down.

Q If you could track that down.

A I will make a note.

Q Other than that incident where Mr. Casey called to expedite [redacted] can you recall any other learning or any other cases where someone attempted to expedite [redacted]

A Well, by calling Meese or me, no. There were a number of instances where client agencies were upset or the FBI was concerned with the time lag and [redacted] is a good example, RPA.

Q Let's narrow it down. Do you recall learning of any calls from NSC regarding [redacted]?

A I don't think -- I don't recall any. I don't recall it out entirely, but I don't recall any. I did not receive it, I am sure.

Q At one point in talking about the fact findings weekend, you referred to the Iranian initiative or the subject of your investigation as I have it written down in quotes, the topic of special interest, almost as if that were a code or designation that was used as a term of art. Does that term have any significance?

A No.

Q It was just the way you said it.

A Iran initiative was the term of art.

Q You mentioned that the only person you believe you mentioned or you spoke to at the Iranian initiative-- I'm sorry, of the diversion, during the course of the fact finding weekend or up in the press conference was Ken Cribb. Was the Attorney General aware that you had told Ken Cribb about it?

A Yes, Cribb joined us as my recollection. He joined us at this 7:30 meeting on that Monday the 24th.

Q Was aware of you told Ken Cribb,that you were going to tell Cribb.

A I don't think so.

Q Did that create any problems from the Attorney General's standpoint?

A No, I may have told -- I may have told Meese I will brief Ken tomorrow morning. But I don't know. Ken and Meese were very close. Ken was my superior, and there was -- that was not a surprise to Meese. He may have known it in advance, but it would not have. It was anticipated that Cribb would join the deliberations and the activities the next day.

Q Did the Attorney General ever chastize either you or anybody in the group of four for what he perceived to be dissemination of the information about the diversion?

A No. Not that I ever heard.

Q Did it ever come to your attention that there was-- did it ever come to your attention there was a possibility that a member of the press had the story of the diversion on the night of Monday, November 24th?

A No.

Q To your knowledge, did any member of the press have information about the diversion?

A No.

Q That evening?

A No.

Q To your knowledge, when William French Smith was Attorney General, was there a formal listed procedure for findings being submitted to the Department of Justice?

A Well, I can answer based on the conversation I had about a week ago with Mary Lawton, as I understand it -- the rule with Smith was that they would come to the Justice for clearance, but there was a continual back and forth to be sure that they did.

Q To your knowledge, did Attorney General Meese attempt to reassert that rule when he became Attorney General?

A To my knowledge, he did not. In fact, when I handled findings, which I think I mentioned, I handled two of them as Chief of Staff, it was not something he expected, and just recently a couple of weeks ago whenever I talked to Mary, he said, "You find what the findings process and what the department's role is because--" So I am pretty sure he did not assert any formal role in that, although he sits on the National Security Council, and there has been a continual desire on his part to increase the formal participation of the department in national security matters, so that their legal ramifications are considered more routinely.

That is normally resisted by NSC. I don't know that that -- generically the answer is, yes, but I don't think it ever rooted itself out in terms of saying I want the finding to come here first.

Q At one point you referred to the Presidential, President's alleged prerogative in the field of foreign affairs as being, I think you put it, arrangement of last resort in the context of the Iranian initiative and finding, or lack thereof. Was it discussed in those terms by the Attorney General and your group?

A No, it was put in, I should clarify, because it was put in terms of what authority, what legal authority can be relied upon for the President to undertake this activity, and there is explicit authority given certain processes in certain other statutes.

Q The Arms Export Control Act and National Security Act being two of them?

A Yes, sir, covert action, for example, Hughes-Ryan you have to have a finding, but there is a school of thought depending on which activities you are talking about, that certain statutes, notwithstanding the President has inherent constitutional authority to undertake certain activities on behalf of the United States in the conduct of foreign policy or other areas, and that if a statute had been violated, just one thing that is discussed -- well, there is the President's inherent authority obviously, if you have that up against a statute, it is difficult, more difficult arrangements to make.

For example, there is a school of thought which I happen to adhere to that the War Powers Act is an infringement of Presidential authority and the notations and that sort of thing, so that is what I am referring to. There are things that the executive branch out of comity had tried to activate its practices to because they think they are good ideas or that sort of thing and because it is the law, but if push came to shove, there may be certain circumstances where in spite of a statute, the President's constitutional authority might be a basis for action.

Q Was that theory discussed in connection with specifically Iranian initiative?

A It might have been mentioned, but the principal area of focus was where these laws complied with and, if not, we have got a violation of the law.

Q To the best of your recollection, did anyone say it wouldn't be a violation because the President has inherent authority to sell arms outside?

A No, I was thinking this more in terms of if this had been an authorized diversion of -- funds had been authorized by the President, what would the legal posture be, and this being one possibility, but it didn't receive great attention because it wasn't-- we found out immediately it wasn't authorized, and I think it might have been in the conversation with Cooper as opposed to Meese.

Q I have to ask this question. Was Oliver North shredding documents while you were present in the NSC?

A No, he was not.

Q Can you state--

A I am glad you asked.

Q Somebody had to ask.

A He was not. He was in the room with us almost the whole time, excuse me.

Q Can you state with some certainty that North was

UNCLASSIFIED

or did not shred any documents anywhere in your vicinity during the time that you were there?

A Yes, I am certain. I am certain he did not.

Q Do you know where the shredder was located?

A Yes.

Q How far away from you?

A May I even draw you a map?

Q Yes.

A It won't be to scale.

Q Why don't we put an exhibit sticker on it and mark this as the next exhibit.

(The document referred to was marked for identification as Exhibit JR-27.)

THE WITNESS: Okay.

BY MR. MCGOUGH:

Q Just describe what we have got with Exhibit 27.

A There was a small suite of offices. Brad and I were sitting at the conference table in Ollie North's office. Ollie North was behind his desk. Outside his office was another small office, two secretarial desks, a few cabinets. Then there was a small room off to the corner, with more file cabinets and the shredder, coffee machine up on top of the table cabinets. Then in the main office where the second door to the hall and Xerox machine, and then over in this corner where I have got wash marks is a stairway up to the second floor.

We are probably not more than a dozen feet or 20 feet from the shredder. Ollie did not leave the office more than a couple of times that I recall, a couple of three times. I went with him to the coffee machine. He wanted to --

Q Did you go with him purposely to keep an eye on him or just was it a coincidence that you went with him.

A The principal reason for my end of things was I didn't want him to serve me coffee. I just soon as do it myself. So I walk over there with him.

Q You didn't feel a need to keep an eye on him when he walked out of the office.

A No, no, not particularly. But, anyway, we went back in there. I saw the shredder. I saw the shredder again when we were looking at some of the files. The bag was half or three-quarters full, but Brad, Ollie was in the office with us most of the time.

Brad, from where he was sitting, could see the entrance to a little room with the shredder. It is a very small room. He would have known if Ollie had taken anything in there. Both of us would have heard the shredder if it had been turned on because we have a shredder, and I shred my documents-- I shred some of my things myself. But I am very familiar with what the shredder sounds like.

p-53

He has the same kind of shredder we have in our office.

Q Could you tell whether this shredder was operatable at that time?

A I couldn't tell. There was shredded paper in the bag. It is a see-through bag underneath. I don't know whether it was working or not. That shredder did not go on while we were in the office. I am practically certain of that. The only conceivable thing is if he had slipped out with one sheet of paper and it had a two-second blast, I think we would have heard that as well.

I don't think he had any intention of shredding documents while we were there, to tell you the truth.

Q Have you discussed your recollection with Mr. Reynolds?

A Yes, sir.

Q And?

A He is even more firm in his view than I am. He says he was sitting in a position where he could see Ollie enter the room. There is no way he took a document in there to shred it. I think he was confused. He was doing it on another occasion.

nd
Thomas
:30 Cantor

Q Exhibit 8 -- I can show you my copy -- this is going to be a quick question. One of the notes that you passed to Brad Reynolds, you underlined the word "should," in the sentence, "If anything should turn up to be missing..." Was there any reason for emphasizing the "should?"

A I think the way I would look at that now, I didn't think anything was, so I emphasized if anything should be missing, this would be better. I had no basis to think anything was missing. I guess that is why I underlined it to let him know just on the outside chance that we had had a problem or misplaced something.

Q Am I correct in my time sequence that Colonel North arrived for the first time as you were leaving for lunch?

A Yes.

Q Did you keep a log or a list of the documents that you wanted to have copied? I noticed partially Exhibit 8 appears to be a partial log.

A It was not for that purpose. I did not keep a log for the purpose of copying. I had intended after we got back to the department to put together a log of documents actually copied, but I didn't get to that in the series of other events.

Q In the course of the fact-finding weekend, up to the time of the Attorney General's press conference, do you recall any discussion of the possibility that documents would be destroyed or altered?

A None.

Q When you were briefed by Mr. Reynolds on Mr. Green's conversation with him, did Mr. Reynolds tell you that Mr. Green did not want or suggested that no disclosures be made of the initiative because of potential danger to people involved?

A Well, I recall Brad mentioning that he did not think that the initiative should be disclosed.

Q Now, he, being, Green?

A He, being Green, because there were things we didn't know or something like that, but I don't recall it being linked to individual safety, but you know, Brad took notes of that discussion and was present, so my recollection is not very much firmer on that.

Q Did Mr. Reynolds indicate to you that he had indicated to Mr. Green in any way that the initiative or the diversion would not be disclosed until they got back to Mr. Green?

A I don't recall that it may not. I don't recall at all.

Q You said you were briefed, I believe, in the conversation at the same time as the Attorney General?

A I think that's right, yes.

Q At the point when-- can you put a time frame on that when you were briefed on that conversation?

A It was either at lunch or at that meeting at the end of the day, the 8 o'clock meeting on Monday, because Meese was out of the office late morning until lunch time, and then he was gone again from 1:40 until 4:30 or 5:00. I recall that. Whenever that meeting occurred, the next session we were together I think he debriefed.

Q At the time Mr. Reynolds made or briefed the Attorney General on the meeting with Green, did the Attorney General indicate any inclination either to release it publicly, the information publicly, or not to release it publicly?

In other words, you had Mr. Green saying, "Please don't release this information." What was the Attorney General's reaction to that?

A I don't recall any specific reaction.

Q To your understanding, had a designation been reached at that point to release the next day?

A I don't think -- I mean one had not been communicated to me. I expected that there would be an announcement imminently.

Q When did you first realize that the matter was going to be announced at the time it was?

A Tuesday morning.

Q Did anyone consult or were you present at any discussions or involved in any discussions of whether to release it on Tuesday morning or Tuesday afternoon or to hold it for a few days?

A At the 8 o'clock meeting with Regan and Meese, etcetera, they were talking in terms of making it public that morning.

Q Were you present during that meeting?

A Yes.

Q And can you recall what the course of the conversation was about the pros and cons of releasing it that day as opposed to --

A It wasn't that type of discussion. The discussion that Regan said, as we have talked, "We will go down and see the President. We will have Poindexter resign. We will present the President with the following plan for sequence for events."

"The Congress, at this time, we will have a news conference where the President will make a statement. You will then brief the press. We will have a special panel appointed to look into this," and they through out a couple of names. It was that kind of thing, and this is what they were going to go in and talk to the President about as a plan of action.

I gather that the decision was actually made with the President at 9 o'clock.

Q Moving to a little later that morning, when you were assigned or asked to make a determination as to when a memo had gone to the President, when there had been a Presidential approval, how much time did you consume doing that?

A I wasn't asked to make that determination, but it was to check the files and make sure that people's memory that nothing had gone forward to the President was not contradicted by a document.

For example, you might have seen -- I mean there are documents in there where Poindexter writes, "brief to the President orally," and dates it and signs it, and Meese wanted to make sure that there was neither a formal signature document or a document like that in the main files. So it was more of a double-check to be sure we don't have one of these in there.

Q And how long did you have to do that?

A Probably an hour would be my guess. I got the clear impression, though, that they were not going public until he heard back that there was no such document.

Q But you also got the impression, did you not, that there was some urgency?

A Oh, no question, no question. In fact, I think I knew the general time sequence by then.

Q The answer to this question is obvious, but did you make any attempt to contact Colonel North and ask him if he had followed up on his offer on Sunday to check the

TOP SECRET UNCLASSIFIED

files.

A None.

Q Why not?

A This was clearly beyond Colonel North at this point. I was asked to check. North knew of no such document when he was asked. We saw none in his files, and I was asked to search the principal filing system.

Out of common sense, I wasn't going to call North at this point and ask him if that had been done.

Q But he had stated --

A Yes, he did say he would check. I don't know if he checked or not.

Q The point is no one ever got back to him.

A No one ever got back to him and I did the checking Tuesday morning.

Q Did you ever tell anyone at the White House, including Colonel Thompson, that Colonel North had said he was going to go back in the files and look for exactly that type of document.

A No, I don't think I did.

Q We can agree that the type of document that Colonel North said he was going to look for on Sunday afternoon was exactly the type of document you were looking for on Tuesday morning.

A Yes. His actually probably was a more narrow category of Presidential approval. I was looking for not only that, but if it could have even been in a briefing paper that had been given to or orally presented to the President as a information matter.

Q I am a little unclear on Exhibit 5. This is the one where somebody is covering their tracks. I was a little unclear as to who they were, who was covering their tracks. This is Exhibit 14.

Who was covering who's tracks in item Numbers 4 and 5?

A. Well, I am not clear myself. In four I would guess either McFarlane, North or Shultz. I would probably think the same, McFarlane, North in Number 5.

In other words, whoever had been responsible for the initiative, a failed initiative, or for an initiative as in Item 4 that had exceeded their authority, so that is probably the universe of people that I would be contemplating, McFarlane, Poindexter, Shultz, North.

Q Just one quick look, and I think I am done.

BY MS. NAUGHTON:

Q Can I ask one question?

UNCLASSIFIED

While Regan and Meese were discussing on Tuesday morning what has turned out to be the Tower panel --

A Right.

Q --who were the first names that were suggested?

A Oy, boy, let me think.

Q Was Ron Brzezinski?

A I think so. I want to say Ann Armstrong, as well, but I don't know. I know she is on PFIAB Pifabs.

Q At the time, were either Mr. Tower, Senator Muskie or Mr. Scowcroft suggested?

A I just don't recall. The conversation was something like, "and will announce the formation of a special board with people like Brzezinski or Tower or Armstrong." I don't really recall. The names were not particularly central at that point. I don't really know who picked them. I guess the President.

MR. MCGOUGH: That is all I have.

EXAMINATION ON BEHALF OF THE HOUSE SELECT COMMITTEE

BY MR. BUCK:

Q I need to rehash the events of November 22 real quick. When did you arrive at the NSC, particularly at North's office?

A I think that was late morning. Let me see if I have it.

Q Refer to Exhibit 2.

A You know what is going to be helpful is the list of -- well, yes, when I arrived is different than when I actually started the document review, because Exhibit 8, it says 12:05 document starts, so that is when I actually sat down and started taking these notes. Also at the top of Exhibit 8, it says, "arrived approximately 11:30, Paul WBR to JR to North's office met Bob Earl."

Let me see if this exhibit sheds more light on it. No, there is no mention of it in Exhibit 2. That is my best guess there. It was late morning.

Q Let me get this straight. You arrived in North's office around 11 o'clock?

A No, I think we arrived at the White House around 11:30, met Poindexter, headed over, talked about the documents that we wanted. Earl brought them out and we actually settled down to me taking notes at 12:05.

MS. NAUGHTON: You just said you met Poindexter.

THE WITNESS: I'm sorry, I meant Thompson, thank you.

BY MR. BUCK:

Q When did you meet North?

A It was as we were leaving for lunch. We had left the office and it was probably -- and he was probably 10 feet away from the door on the way out.

Q I have got you at a lunch at 1:45, so you left for lunch maybe about 1:30?

A Yes, I would say, a little later.

Q About an hour and a half of document review before you went.

A Yes.

Q Were you aware that the shredder, which you have described in North's office there was not functional?

A No. I don't know whether it was or not.

Q At what point in time did you notice the shredding machine? Did you notice it in the morning or the afternoon?

A I don't know. I am sure I saw it after lunch when North and I went into the -- in to make coffee, but I probably noticed it upon arrival, when Earl was pointing out the different files and the drawers were ajar.

The shredder was right next to him, so I probably noticed it then.

Q Were you aware of a second shredding machine just outside of North's office?

A No.

Q And North was there when you returned from lunch?

A Yes. Earl might have opened it. North might have been at his desk, but he was definitely in the office.

Q I take it North could have shredded documents while you were out on lunch.

UNCLASSIFIED

A Yes.

Q Do you know how long a period that was?

A It would have been about an hour and a half, roughly.

Q Do you recall seeing North at any time leave the office that you were in with him, with documents?

A No.

Q And you said he left maybe a few times?

A A couple of times I would think. I know once to do the coffee. I don't think he ever left with documents in hand. He was working at his desk, but there was very little paper on the desk. He was reading a newspaper, on the phone. I mean he didn't seem to be going -- he was not going through files or great volumes of paper.

Q Did Thompson stop by and accompany North anywhere?

A Not that I saw.

Q Did you see anything that would suggest that North was shredding at any time that you were in his office?

A No, nothing.

MR. BUCK: I have no more questions.

(Whereupon, at 7:50 p.m., the deposition was concluded.)

21 Nov 86

UNCLASSIFIED

21 Nov 86 | STAFF MTG

1

Weld: How long AG to carry legal load alone — various Acts involved.

JRB: Focus Cooper, etc — as develops

AG: → (★) **Weld:** CRM Div. needs to be informed for impact on other cases

1

[redacted] Declassified/Released on 11FEB88
under provisions of E.O. 12356
by K. Johnson, National Security Council

RICHARDSON DEPOSITION EXHIBIT 1 RB

(5624)

UNCLASSIFIED

Fri. 21 Nov 86

9^{15} – 10^{45} am	AG, AAB, WBR, CJC, JR	AG o/c
11^{30} – 12^{15}	AG, Regan	WH
	RR, Regan, Poin, AG	
12^{40} – 12^{45}	AG, TE, JR (press inquiries)	DOJ
12^{45} Lunch	AG, WBR, CJC, JR	DOJ
1^{45} – 2^{15}	AG, Webster	AG o/c
2^{25} – 2^{55}	AG, WBR, JRB, CJC, TE, JR (Bolton debrief Intell. hearings)	AG o/c
2^{55} – 3	AG, Poin. (telephone secure)	
3^{30} – 5^{35}	AG, CJC, McFarlane	AG o/c.
6^{25} – [redacted]	AG, CJC, WBR, JR (JRB present 6^{30}–6^{35}) (CJC out 6^{45})	

UNCLASSIFIED

20 NOV 86

UNCLASSIFIED

20 NOV 86

~ 9am	AG, CJC, JR (brief discussion)	AG o/c
12^{00} – 1^{15} Lunch	AG, CJC, WBR, JRB JR	AG dining r
1^{30} – ~3^{30} pm	AG, CJC, and Casey (CIA Gen Coun #) Poindexter, Thompson, North	WH

Richardson
Exhibit 2
7-22-87
RBT

[redacted] Declassified/Released on 11 FEB 88
under provisions of E.O. 12356
by K. Johnson, National Security Council

5625

UNCLASSIFIED

Sat 22 Nov 86

8 - 9^{20} am	AG, CJC, Shultz, Charlie Hill	
9^{45} - 10^{am}	AG, CJC	AG ofc
10^{am} -	AG, CJC, JR, WBR	AG ofc
Lunch 1^{45} - 3^{15}	AG, WBR, CJC, JR	Old Ebbitt
7^{15}	JR, WBR depart NSC ofcs.	

UNCLASSIFIED

Sun.
23 Nov 86

10^{45}	JR/WBR at NSC ofc.	
12^{40} – 2pm	AG, CJC, WBR, JR	AG ofc
2^{15}pm – 5^{55}pm	AG, CJC, WBR, JR, North (4^{05} AG out until 5^{55}pm).	AG ofc

UNCLASSIFIED

Mon. 24 Nov 86

7^{20} – 7^{50} am AG, WBR, CJC, TKC, JR

12^{05} – 1^{30} Lunch AG, WBR, CJC, TKC, JR (ck!) DOJ –

1^{40} VP

UNCLASSIFIED

25 Nov 86

6^{40-45} am	AG, Casey	Casey residence
7^{30}-^{45} am	AG, Poin.	AG ofc
~ $8.^{15}$ or 8^{00}	AG, Regan, CJC, JR Thomas, Wallison	
9	AG, RR, Regan	
9^{30}	" " ", Poin.	
10^{15}	Cabinet befng	
11	Cong briefing	
12	press brfng.	
2^{05} pm	AG, Webster, A.B, CJC, JR TKC, WBR (SST joined at 2^{20})	AG ofc
6^{40} pm	AG, AIB, SST, TKC, WBR, CJC, JR Weld, JRB (Kosten til 6^{50}) -Hill update + press update - Legal issues (crim. liab.)	

UNCLASSIFIED

14 Nov 86

2-2^15 Ledeen/AG AG ofc.

UNCLASSIFIED

21 NOV 86

21NOV 11^{30}—12^{15}

12^{30} lunch

3^{30}—5^{45} McF

6—7^{45} — group

Richardson
DEPOSITION
EXHIBIT
3
RB

[redacted] Declassified/Released on 11 FEB 88
under provisions of E.O. 12356
by K. Johnson, National Security Council

5626

UNCLASSIFIED

6^{25} pm AG, CJC, WBR, JR

21 Nov

— update Cogan

6^{30} add JRB

legis. update

6^{38} — Bolton out

~~8-9 Dec.~~

~~Casey 16 Dec~~ } Bolton: → ★ → Call NSC

Bolton for hearings

cooper out 6^{45}

✓ Sporkin:

WBR → JR out at

VP o/c

John Schmidts → McGinnis

Shultz
Casey

Weinberger

UNCLASSIFIED

21 NOV 86

UNCLASSIFIED

①

(21 Nov 86)
(entry date)

1. Meeting on 21 Nov 86
~9^{15}–10^{45} am in AG's ofc.
AG, AIB, WBR, CJC, JR

AG → JR: detailed log of AG mtg parties.
(~~these, the following entries~~
~~are [illegible] reconstructed from schedules~~).

2. Meeting on 21 Nov 86
11^{30} am — at WH
AG, Regan; then AG, Regan, RR.
11^{30}–12^{15} RR, Regan, Poindexter, AG
Iran [redacted] Relationship.
Situation.

Partially Declassified/Released on 11FEB88
– under provisions of E.O. 12356
by K. Johnson, National Security Council

3. Lunch on 21 Nov 86

AG, CJC, JR, WBR,

Lunch 21 Nov 86
12^{45} —
AG, WBR, CJC, JR:
Iranian Sit.

Richardson
DEPOSITION EXHIBIT
4
RBT

(5627)

UNCLASSIFIED

~~21 Nov 80~~ Reconstructed from AF schedules, notes + memory

(to p.2)

UNCLASSIFIED

2

(21 Nov 86)(entry)

Reconstructed events from AG schedules, notes, memory

20 Nov 86: ① ~9am (after Staff Mtg) in AG ofc.
Thurs — brief discussion AG, CJC, JR

② Lunch at 12^{00} – 1^{15} pm in AG Dining Rm
AG, CJC, WBR, JRB, JR

③ Mtg at WH, 1^{30} — ~3^{30} pm
AG, CJC, others: Casey
CIA GC
Poindexter
Thompson
North
More?

19 Nov 86 ① ~ 9am brief discussion in AG ofc
Wed AG, TKC, CJC, more(?)
then AG call to Poindexter

② [Bolton lunch re: DOJ legis strategy]
([illegible] fyi only)

③ [5^{15} – 6pm desk time]
AG on telephone: fyi

18 Nov 86: ① [redacted] non-relevant + classified [redacted]
Tues

UNCLASSIFIED

21 NOV 86:
12^{40} – 12^{45}
AG, TE, JR
→ Press stories/inquiries
and appropriate response, if any.

UNCLASSIFIED

(21 Nov 86)

17 Nov 86: ① none
Mon

14 Nov 86: ① [fyi: bkfst eras]
Fri.
② [fyi: Buchanan lunch at WH]

③ Mtg Gerson 1^{50} – 2 pm
AG, Gerson in AG o/c

④ Mike Ledeen mtg w/AG
2 – 2^{15} in AG o/c: AG/Ledeen

⑤ end

15 Nov 86
Thurs

UNCLASSIFIED 25 NOV 86

25 NOV 86

6³⁵ am AG/JR drive from AG residence to Casey residence

6⁴⁰ – 7⁰⁰ am AG meet w/ Casey

– receives + returns call from Regan

7 – 7³⁰ AG/JR in car

– AG calls Poindexter to meet at AG o/c.

7³⁰ – 7⁴⁰ am AG/Poindexter mtg in AG o/c

7⁴⁰ – 7⁴⁵ AG/CJC/JR mtg

7⁴⁵ AG/CJ/JR depart for WH.

8⁰⁰ am Regan, AG, JR, CJC, Thomas,

Richardson
DEPOSITION EXHIBIT
5
RBT

~~Partially~~ Declassified/Released on 11FEB88
under provisions of E.O. 12356
by K. Johnson, National Security Council

[AG rec'd call from Peres + said Israel did ship 508; $ pd directly by Iranians to Amer. Co. acct — + only told Iranians the amt —. (+ probly the acct #, per AG).

5628

UNCLASSIFIED 25NOV 86

Log

25 Nov

AG to Casey resid

~6[illegible] am - 7^{00}

Richardson
DEPOSITION
EXHIBIT
6
RBF

5629

[redacted] Declassified/Released on 11FEB88
under provisions of E.O. 12356
by K. Johnson, National Security Council

UNCLASSIFIED

22 NOV 8

22 Nov 86

9^{45} - 10^{am}. AG, CJC At ofc then
JR, WBR join AG, CJC (At ofc.)

SO AG, CJC, WBR, J.
10^{am} —

[redacted]

22 NOV 86
AG, Charlie Hill, Shultz, CJC
8 — 9^{20} am

RICHARDSON
DEPOSITION EXHIBIT
7
7-22-87

Declassified/Released on 11FEB88
under provisions of E.O. 12356
by K. Johnson, National Security Council

5630

UNCLASSIFIED

Exhibit 8 pages 1 through 6

DENIED IN

TOTAL

5631

UNCLASSIFIED

new #

20. Hechler Nov 86 cable re: use of [redacted] passports

21. File: HOSTAGE'S RAFSANJANI [redacted]

→ 5000 TOWS offered to Iran by US firm thru intermediaries -.

Iran making efforts to get TOWs thru illegal arms shipmts — NOV 85 —.

5631

22. Hizballah:

23. [redacted]

Partially Declassified/Released on 11 FEB 88
under provisions of E.O. 12356
by K. Johnson, National Security Council

lots come or lots not.

most sens. not, so still talking.

— rec'd call f/ Israeli — code talk [redacted] ...

Barmon mention: — phone call —

UNCLASSIFIED

737666

23. North to London to meet [redacted] 13 Nov 85
↳ assumed name: "Jonathan Jones"

24. Clarre, Gates, Sporkin that Sun. at Draft it at DCI
Finding

Kilburn - FBI
DEA

Gaddafi -

UNCLASSIFIED

Are we going, possibly, to be open to attack if we take custody, out of NSC, of these documents?

eg. if anything should turn out to be missing?

UNCLASSIFIED

We could use tonight to
catch up w/ Chuck —
+ I can come here
early in am to finish
this — then meet you
guys later in day.

UNCLASSIFIED

Sun · 10^{45} (JR):

[AG | current conv. Nir — release, Iran get us out of this.]

86 Memos:

26 July 86. (see casey attmt - draft)
29 July 86

[North conversation JR/WBR → refer to mtg notes —
transc. [redacted]]

UNCLASSIFIED

~~CIA info~~ : John McG   24 Nov 86

- Rumors at CIA, extra $ paid to So Transport + funneled to Nicaragua

- CIA did not use So. Trans — in this transaction (anything on Iranian shipm

- All arrangmts NSC but
  - Nov 85 [redacted] Hawks
  - Nov 86 replenishmt TOWs [redacted] (CIA paid?)

- Fair mkt value:
  - DOD best source
  - CIA knows what paid DOD

- NSC paid (or intermediary of Israelis, etc) for Southern Airways.

Partially Declassified/Released on 11FEB88
under provisions of E.O. 12356
by K. Johnson, National Security Council

DEPOSITION
EXHIBIT
9
7-23-87

5632

UNCLASSIFIED

29 Oct 86

29 Oct 86

STAFF MTG:

1

Conyers ltr + IC request—
we just asked for more specific information, if any, and review.

- To TE: put out press advisory that not a "preliminary investig." — get the record straight.

Wald: Let's just get word out.

TE: We'll ~~be~~ sure certain large media know it.

Cooper: Lots in OLC on both trigger IC act and the Neutrality Act.

~~Partially~~ Declassified/Released on 11FEB88
under provisions of E.O. 12356
by K. Johnson, National Security Council

1

5633

DEPOSITION EXHIBIT
10

Provided some briefs to Griffin Bell re Neutrality Act—
others, non-public, are availa
Ltr to Hill not given.

AG → Cooper: do FOIA analysis &
OLC to work w/CRM.

UNCLASSIFIED

[redacted]

[illegible]
E. = 11

DENIED IN
TOTAL

5634

No Date

UNCLASSIFIED

THE WHITE HOUSE
WASHINGTON

I. Any other facts ?

II. Problems

"Broke no laws"

"Defensive weapons"

DEPOSITION
EXHIBIT
12
RBT

~~Partially~~ Declassified/Released on 10FEB88
under provisions of E.O. 12356
by K. Johnson, National Security Council

5635

UNCLASSIFIED

NO DATE

UNCLASSIFIED

Nicaragua angle: contra funding

1. People who know:
   - North (Jan 86)
   - Poindexter (Jan 86)
   - Secord (?)
   - McFarlane (Apr or May 86)

2. People who may know:
   - Regan (per North, present in any RR brfngs w/Poin.)
   - Thompson
   - [redacted]

3. People who could know:
   - RR
   - VP
   - Casey (North says no one at CIA knows)
   - Shultz
   - Weinberger
   - Others?

DEPOSITION EXHIBIT 13

Partially Declassified/Released on 10 FEB 88
under provisions of E.O. 12356
by K. Johnson, National Security Council

56326

UNCLASSIFIED

No date
①

Why?: theories

1. More extensive relationship with Iran.

2. More extensive relationship with Israel

3. Relationship with Nicaragua

4. Cover own tracks —:
   RR drew strict limits vis-a-vis arms — but McF, (North, others?) went beyond that — unauthorized agents in Sep/Nov transactions. (notes McF; Shultz)

5. Cover own tracks —:
   arms deal w/ G a loser, not really with effective (pro-West) faction — (p. 4, Sep 86 min

6. Reason f/ secrecy: Soviet anxiety. (p. 7 Sep 86 minut
   p. 10 " " "
   p. 16

7. Involvmt of: VP, Regan, Casey
   — Poin., Thompson, CIA personnel [redacted]

Partially Declassified/Released on 10 FEB 88
under provisions of E.O. 12356
by K. Johnson, National Security Council

DEPOSITION EXHIBIT
17
RMT

5637

UNCLASSIFIED

NC DATA

- intell. e
- [redacted]

① Nicaragua angle →
✓ North
✓ Poindexter
✓ McFarlane
Regan
Thompson
[redacted]
RR
} ?
(Casey
Wein
Shultz
VP)

✓ Secord
[redacted]

- Gorbanifar $ (others lost $)
- Others in Iran arms deals will allege U.S. involvmt w/ Israel on other deals
- Southern Air Transport

See: McMahon
Secord.
Cave

Partially Declassified/Released on 10 FEB 88
under provisions of E.O. 12356
by K. Johnson, National Security Council

★ ck Secord NEXUS
So Air Trans.

Why McF resign

DEPOSITION
EXHIBIT
15
RBT

on trip
T

- McF: KL-43 at home?

1. — did tows go to [redacted] (don't know)
2. — McF / 508s → when asked: equivocal
   Hawks → when asked: [redacted] does not recall specif. authoriz.
   Who would have known / approved?
3. — CIA involvmt: - Sep 85 quote
   - viewpoint: hostage related exchge
   - intelligence exchnge.
   - nature CIA involvmt in Nic
   - CIA pay Secord
   - Secord arrange plane.
4. — Nicaragua — :- Secord know

UNCLASSIFIED NO DATE

3 areas vulner

① TOWS 508 / Hawks

— no rept AECA viol.

or if acquiescence:

— Hughes-Ryan — no finding.

DEPOSITION EXHIBIT
16
RBT

[redacted] Declassified/Released on 10 FEB 88
under provisions of E.O. 12356
by K. Johnson, National Security Council

5639

UNCLASSIFIED

No DATE

UNCLASSIFIED

1 – Tell RR re: Nicaraguan angle.

DEPOSITION
EXHIBIT
17
RBr

[redacted] Declassified/Released on 10FEB88
under provisions of E.O 12356
by K Johnson, National Security Council

5640

UNCLASSIFIED

NC DATE

UNCLASSIFIED

1. 508 TOWS
   Arms Control Export Act
   Nat. Sec. Act
   /
2. Hawks
   ACEA
   NSAct
   Hughes Ryan

3. Nicaragua angle

4. Crim. prosecutions.

5. Secord:

DEPOSITION EXHIBIT
18
RBT

[redacted] Declassified/Released on 10 Feb 88
under provisions of E.O. 12356
by K. Johnson, National Security Council

5641

UNCLASSIFIED

No DATE

UNCLASSIFIED

→ [redacted]

lunch 1^{45} - 3^{15} AG, WBR, CJC
JR

Why? ——— protect oil.

Iran Iraq/
Israel USSR

Nicaragua

DEPOSITION
EXHIBIT
19
RBT

Partially Declassified/Released on 10 FEB 88
under provisions of E.O. 12356
by K. Johnson, National Security Council

5642

UNCLASSIFIED Sporkin

NO DATE

[redacted]

AG: notes
telephone logs

Monday: JRB
② AG → some on Hill re: law.

③ → AG (call) → Poindexter / Casey / Regan - Sun talk shows
Sporkin

→ ~~off~~ coverage OAG Sat.
1 w/AG
1 front of [redacted]

DEPOSITION EXHIBIT
20
RMT

Declassified/Released on 10 FEB 88
under provisions of E.O. 12356
by K. Johnson, National Security Council

CK: JRB - new Cong activity
(next wk)

5643

2^{05}-3-
AG - Poin
secure

21 Nov 86

~ 2^{25} pm - 2^{55}

AG, WBR, JRB, CJC, UR, TE
AG o/c

Bolton debriefing on
- Senate Intell ~~hearings~~
~~(present)~~
w/Casey (c/ from) Armacost/Armitage
- House (will get ~~full~~ debrief)

AG F
3^{30}-5^{05}
AG, CJC
OPE 5 min

AG Webster 1^{45}-2^{15}
21 Nov.

UNCLASSIFIED

25 NOV

5701
ve
3C

Noles from [illegible]
look thru [illegible] file: 25 Nov

- and third parties — added to 17 Jan 86
- Tab I (transmittal memo JP to RR of 6 Jan finding not in pkg)

- Ollie memo — in mil-file —
  Ollie brought over last nite

- JP memo to RR 17 Jan
  - indicates

[redacted]

  - talk pts briefed to McD, Rodman Cochel, Thompson, Ross, North

Partially Declassified/Released on 10 FEB 88
under provisions of E.O. 12356
by K. Johnson, National Security Council

- 3, 30 July, 2 Aug 85
  Bud + Kimche

DEPOSITION
EXHIBIT
21
R'57

- "TOWs owed to des of Weir release"
- Khomeini steps down 11 Feb
- [redacted]
  transfer money method.

5844

UNCLASSIFIED

Casey said told 14 Sep (note)

UNCLASSIFIED 25 NOV

6^{40} pm press update/guidance

AG, TKC, AMB, SST, WBR, CJC, JR, Weld, JRB

Konten out at 6^{50}.

- Hill update:
- Legal review update:
  - appropriations limitations: only possible problem is pricing per Economy Act - DOD to CIA - and CIAs transfer at same price is possible difficulty.

    [stretch — probly OK]
  - criminal liability:
    - mail/wire fraud conspiracy (§371) to viol. other laws of US (even not crim laws! (unlawful end or unlawful means.

DEPOSITION EXHIBIT 22 RBT

~~Partially~~ Declassified/Released on 10FEB88
under provisions of E.O. 12356
by K. Johnson, National Security Council

5645

UNCLASSIFIED

②

- false stmts —
  papers filed in transactions

② [all turns on North authority] → generic contra authority

AG: 3d country solicitations

Weld: Second recently CRM target

§ 207 conflicts
Theft (if price spread).

UNCLASSIFIED

15 MAR 86

UNCLASSIFIED

Please note that the attached document was typed prior to March 15, 1986.

DEPOSITION
EXHIBIT
23
RBT

[redacted] Declassified/Released on [redacted] 11 FEB 88
under provisions of E.O. 12356
K. Johnson, National Security Council

5646

UNCLASSIFIED

U.S. Department of Justice
Office of the Attorney General

The Attorney General

EM:

Oliver North's office said you agreed with Admiral Poindexter to see North today?

Do you want to meet with him after Judicial Selection at the White House, and delay your departure for home? Or what? Meeting should last 15-20 minutes.
CONTACT: Fawn at 395-3345.

MAM
12:20 p.m.

4^{55} @
Roos Rm

Declassified/Released on 11 Feb 88
under provisions of E.O. 12356
by K. Johnson, National Security Council

56 46

UNCLASSIFIED

NO DATE

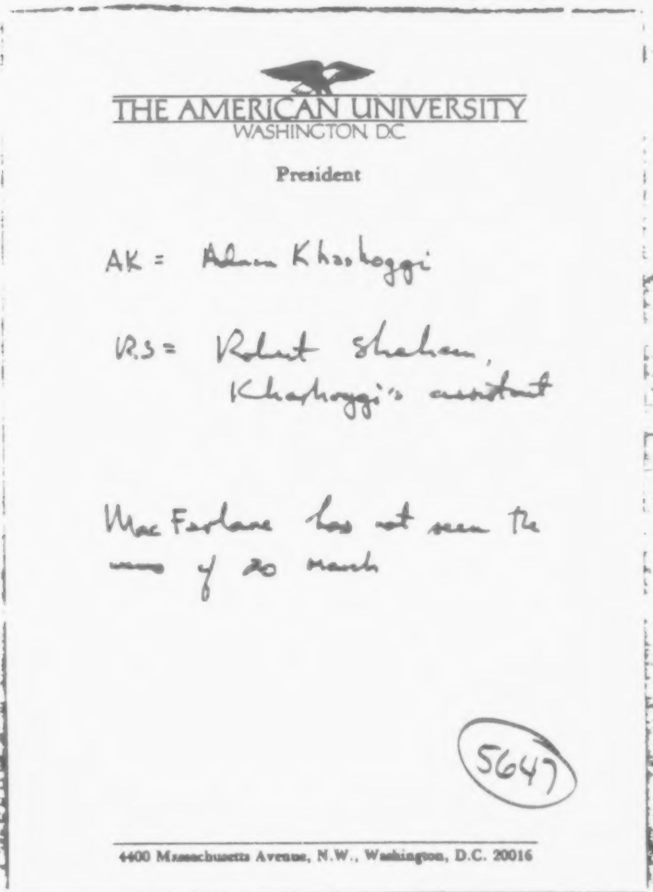
This document cannot be dated nor can the subject matter to which it was related be recalled.

DEPOSITION
EXHIBIT
24
RJS

5647

[redacted] Declassified/Released on 10 FEB 88
under provisions of E.O. 12356
by K. Johnson National Security Council

UNCLASSIFIED



THE AMERICAN UNIVERSITY
WASHINGTON DC

President

AK = Adnan Khashoggi

RS = Robert Shaheen,
Khashoggi's assistant

MacFarlane has not seen the
memo of 20 March

5647

4400 Massachusetts Avenue, N.W., Washington, D.C. 20016

UNCLASSIFIED

No Date

UNCLASSIFIED

This document cannot be dated nor can the subject matter to which it was related be recalled.

DEPOSITION EXHIBIT
25
RDT

5648

[redacted] Declassified/Released on 10FEB88
under provisions of E.O. 12356
by K. Johnson, National Security Council

UNCLASSIFIED

THE WHITE HOUSE
WASHINGTON

Maybe we should
contract the job
out to the Israelis

5648

UNCLASSIFIED

No Date

Casey:
Poindexter: } mis-statmts to Cong./Sens.

1^{30} to WH —
VP 1^{00} –)

24 Nov 12^{45}–1^{30}
lunch

DEPOSITION
EXHIBIT
26
R'87

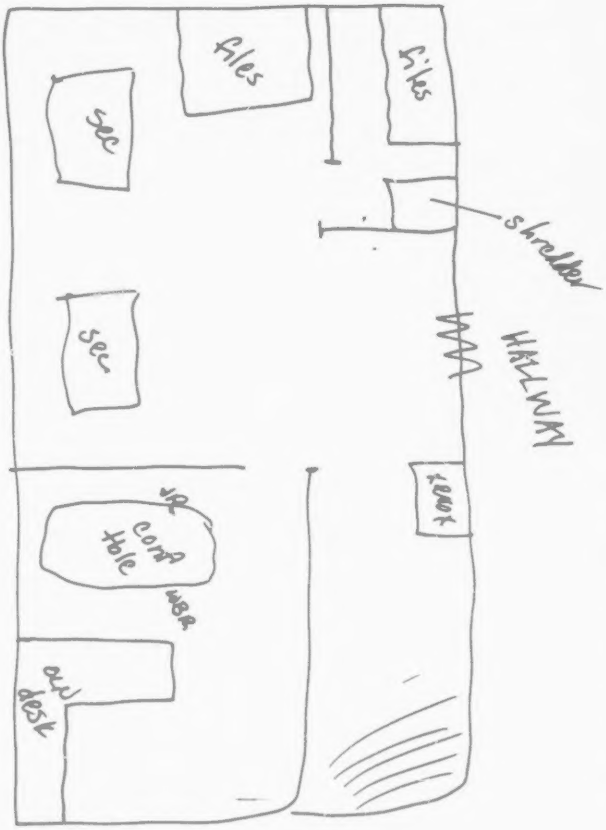
[redacted] Declassified/Released on 10FEB88
under provisions of E.O. 12356
by K. Johnson, National Security Council

5649

UNCLASSIFIED

5650

DEPOSITION EXHIBIT
47
RAT


files
files
sec
shredder
sec
HALLWAY
xerox
JP
conf table
WBR
ol desk

[redacted] Declassified/Released on 10FEB88
under provisions of E.O. 12356
by K. Johnson, National Security Council

UNCLASSIFIED

ORIGINAL

HSIC 022 87

TRANSCRIPT OF PROCEEDINGS

CONFIDENTIAL

UNITED STATES SENATE

SELECT COMMITTEE ON
SECRET MILITARY ASSISTANCE TO
IRAN AND THE NICARAGUAN OPPOSITION

UNCLASSIFIED

UNCLASSIFIED

DEPOSITION OF ALFONSO ROBELO C.

4129

CONFIDENTIAL

Partially Declassified/Released on 4 JAN 88
under provisions of E.O. 12356
by K. Johnson, National Security Council

Washington, D. C.

Thursday, April 23, 1987

ACE-FEDERAL REPORTERS, INC.
Stenotype Reporters
444 North Capitol Street
Washington, D.C. 20001
(202) 347-3700
Nationwide Coverage
(800) 336-6646

COPY NO. 1B OF 1 COPIES

UNCLASSIFIED

UNITED STATES SENATE

SELECT COMMITTEE ON
SECRET MILITARY ASSISTANCE TO
IRAN AND THE NICARAGUAN OPPOSITION

DEPOSITION OF ALFONSO ROBELO C.

Washington, D. C.
Thursday, April 23, 1987

Deposition of ALFONSO ROBELO C., called for examination pursuant to notice of deposition, at the offices of the Senate Select Committee, Hart Senate Office Building, Suite 530, at 10:00 a.m. before JOEL BREITNER, a Notary Public within and for the District of Columbia, when were present:

Partially Declassified/Released on 4 JAN 88
under provisions of E.O. 12356
by K. Johnson, National Security Council

RICHARD PARRY, ESQ.
Associate Counsel
United States Senate
Select Committee on
Secret Military Assistance
to Iran and the Nicaraguan
Opposition
901 Hart Senate Office Building
Washington, D. C. 20510

KENNETH R. BUCK, ESQ.
Assistant Minority Counsel
House of Representatives
Select Committee to Investigate
Covert Arms Transactions with
Iran
H-419, The Capitol
Washington, D. C. 20515

ROBERT A. BERMINGHAM, Investigator
House of Representatives Select
Committee

UNCLASSIFIED

CONTENTS

WITNESS	EXAMINATION
Alfonso Robelo	
by Mr. Parry	3
by Mr. Bermingham	59
by Mr. Parry	61
by Mr. Buck	62
by Mr. Parry	66

EXHIBITS

ROBELO DEPOSITION NUMBER	IDENTIFIED
Exhibit 1	31
Exhibit 2	32

UNCLASSIFIED

PROCEEDINGS

Whereupon,

ALFONSO ROBELO

was called as a witness and, having first been duly sworn, was examined and testified as follows:

EXAMINATION

BY MR. PARRY:

Q First, Mr. Robelo, I would like to thank you for coming in today. It has been completely voluntary, there has been no subpoena, and we appreciate the full cooperation that you have given the House and Senate Select Committees in this investigation.

Before we start, I would like to explain that you are giving your testimony under oath; the reporter will take down your testimony and transcribe it. You will have the opportunity, if you want, to review your testimony once it has been transcribed, and make any corrections or if there have been typographical errors or if you were misunderstood, you can point that out to us if you choose to review your testimony.

Please, just try to answer the questions as accurately as you can. If you don't understand a question,

Partially Declassified/Released on 7 June 88
under provisions of E.O. 12356
by K. Johnson, National Security Council

UNCLASSIFIED

let us know and we'll do our best to clear it up.

Can we start with your general background. You are presently a director of the United Nicaraguan Opposition; is that correct?

A Yes. May I say just a few words? My native tongue -- my native language is not English. I do think that I speak it fluent enough to answer anything, but if I make any mistakes, if there is something you don't understand, please say so, so everything will be clear. Okay? I don't need an interpreter, obviously, but I wanted to make that clear, because there may be a lot of mistakes there.

My present position, I am a member of the directorate of UNO; UNO is the acronym for the United Nicaraguan Opposition.

Right now, there are two directors, is Pedro Joaquin Chamorro, and myself. There is one vacant seat.

The director of UNO is the top executive authority that has control on both the military and the political struggle for the liberation of Nicaragua.

Q Does UNO incorporate the entire Nicaraguan resistance movement at this time?

A No, sir. There are two other groups that are

UNCLASSIFIED

outside UNO that are of a certain importance. There are more than two, but two that are of importance.

One is the southern opposition block, in Spanish is called BOS, B like in boy, OS.

And then the Indian group called Misurasata.

Q BOS and Misurasata, neither group has representatives in UNO; is that correct?

A For the time being, no. There are conversations at this time to include it in what will be the Nicaraguan resistance, we hope.

Q I would like to briefly touch on these two groups. BOS, the southern opposition block, who are the leaders of that group; do you know?

A They have a five-member directorate, but at present the -- I will say the key leader is Alfredo Cesar, and, in Misurasata, the key leader is Brooklyn Rivera.

Q Are either of those groups presently engaged in military activities?

A Yes. According to what I know, both have minor military activities inside Nicaragua.

BOS has about a [redacted] men, maybe [redacted] and Misurasata may have up to [redacted] inside. And both of these organizations did receive aid in the last $100 million aid package. Each one of them got [redacted], each. So it is [redacted] each.

Q Do they coordinate in any way with the larger military forces of the FDN?

A No, sir.

Q Or the southern group?

A Well -- Misurasata does not. BOS operates in the same region of Nicaragua, in the southern part of the Atlantic Coast. And, due to that, yes, they do coordinate with the southern front of UNO.

Q In addition to your position as director of UNO, you also have your own political party; isn't that correct?

A Yes, sir. In March of 1978 I founded a political party in Nicaragua with other young professionals in Nicaragua, and I have been president of that party since the foundation.

The name of it is MDN, which stands for Movimiento Democratico Nicaraguense. That party is part of UNO, that is an alliance, and has been part of UNO since we organized UNO in June of 1985.

Q Does the MDN have any military functions?

UNCLASSIFIED

A No, sir. The MDN is a political party with no military structures. There are members of the MDN who have -- who are fighting inside Nicaragua, but, as part of other forces like FDN forces, or in the southern front of UNO. But the MDN, as such, has no military activities and no military structure.

Q So the MDN is purely a political body?

A Yes, sir.

Q Do you have any involvement or are you a leader of any of the military factions?

A According to UNO bylaws, the top authority in any area of the struggle, any branch of the struggle, is the directorate. So, according to the bylaws, I do have authority and responsibilities. The fact is that, because of my experience, which has always been in the civic-political struggle, I have been kept fairly well informed of what is going on. I, a few times, have looked at reports and budgets about the military part. But I don't get involved in any of the actual direction or the -- direction of the military part. I am devoted mostly to political activities.

Q Do you have -- other than your general authority over military operations as a director of UNO, do you have

UNCLASSIFIED

any particular affiliation or communication with the forces in the south? The forces that are not part of the FDN?

A Not on any regular basis. Whenever I occasionally see the people inside there, I do talk to them but not on a regular basis.

In the past, when the southern front was commanded by Fernando "El Negro" Chamorro [redacted] I had more regular contacts. But not formal contacts. But we did talk to each other more frequently.

Q Yes.

A He left several months ago, about, what, maybe seven, eight months ago. Since then the contacts with any people in the south have been more irregular.

Q What was the name of Fernando Chamorro's group, or military unit?

A It has two acronyms. It is UDN-FARN. UDN-FARN.

The "UDN" stands for Union Democratica Nicaragua, I think it is, which is the political branch of his organization. FARN stands for Fuerzas Armadas Revolucionarias Nicaraguenses; the Revolutionary Nicaraguan Armed Forces. That is the military branch that was part of the southern front under his command.

UNCLASSIFIED

Q Were you ever affiliated with UDN-FARN?

A No, sir.

Q Maybe we should go back and trace your political affiliations.

Starting with the formation of the MDN in 1978 and going through the revolution and your present position, could you just briefly describe your various political leadership positions?

A Yes, sir. As I said before, MDN was founded in 1978, in March of 1978. We became instrumental, and we were the binding force to a larger coalition of political, labor and private sector organizations that was called the "Broad Opposition Front."

This broad opposition front was very important in the overthrowing of Somoza.

I was instrumental to strike against Somoza, and became involved in the insurrections against Somoza.

Due to my involvement in the broad opposition front I was also a member of the political commission that took -- that was involved in the mediation of the OAS in September of 1978. When the final insurrection against Somoza took place in June-July 1979, then I was invited to

UNCLASSIFIED

discuss the formation of the governing junta as a representative of my party, the MDN. And I did join and became one of the five members of the governing junta of my country, Nicaragua, from July 19, 1979 to April 22, 1980, when I stepped down and resigned and became active in civic activities inside Nicaragua, as the president of my party, the MDN.

Q Stop there for a minute. Why did you resign from the governing junta?

A I was fully committed to the original principles of the Nicaraguan revolution, being effective pluralism; nonalignment in foreign policy and a well defined mixed economy.

It was clear, as time went by, that these principles were betrayed by the key force in the revolution that controlled all the weapons, that was the FSLN.

So, due to this betrayal of the key principles, due to the clear detour of the revolution out of these principles and became more totalitarian linked with the Communist regimes, became more Communist, controlled by the Marxist-Leninist, I decided to step down. I saw there was no role for me inside the government.

UNCLASSIFIED

Q You referred to the FSLN, that's the Sandinista party?

A Yes. Called the Frente Sandinista de Liberacion Nationale; FSLN, what is known as Sandinistas, now.

Q So, in 1980 it became apparent that they were controlling the country and that they had their -- they were opposing a totalitarian, Communist form of government and that's the reason you stepped down from the junta?

A That is correct.

Q Where did your activities take you from there?

A I stayed inside Nicaragua, in civic opposition to the totalitarian Sandinista regime, for almost two years, until in March of 1982. The emergency law was imposed on the Nicaraguan people by the Sandinista regime. This emergency law put censorship on the press and on the -- on radio, the television was a monopoly of the Sandinistas, and political activities of parties were not allowed. I thought this had closed, so much, the space inside Nicaragua, political space inside Nicaragua, and on top of that my house was attacked by mobs and I wasn't allowed to leave the country. Several times they stopped me at the airport and there were several attempts to kill me. So I decided to go to exile in Costa

UNCLASSIFIED

Rica, with the key leaders of my party and to set the key structure of my party, the MDN, in exile in Costa Rica.

I left Nicaragua the 23rd of March of 1982 and I have not returned since then, to Managua. In exile in Costa Rica, we set up our own organization, tried to contact members and do the usual political activities that a party does and we became, also, members of an alliance called ARDE, where the key military leader was Commander Pastora, P-a-s-t-o-r-a, and I was the key political leader in ARDE.

For a period of one year, until May of 1983, all our struggle was civic -- or political, I should say. There was no military activities under ARDE.

Q Can I interrupt there?

A Yes.

Q Were there military activities taking place elsewhere? For instance, in the north, at that time?

A Yes, sir. The FDN although I don't know if it was called FDN at that time, but there were forces in the north operating since March of 1982. In fact, the state of emergency was "decreed"?

Q Decreed?

A -- decreed by the Sandinista government because of

UNCLASSIFIED

some military actions that took place inside Nicaragua, which showed the presence of these forces, military forces, operating in the north.

Q Did you have any knowledge of who organized the military forces of the north?

A Well, I do have now because it is public to an extent.

It was a group of Nicaraguans, some of them former members of the national guard and some former Sandinista combatants that were already also disillusioned in -- disillusioned with the regime in Nicaragua. And they received some help from the United States government and some from some [redacted] military men.

Q Did ARDE, or the MDN, receive any help from the United States, [redacted] or other foreign countries, during this period March of '82 through May of '83?

A Military? From [redacted] nothing.

From the United States sometime in May or June of 1982, through Commander Pastora, [redacted] I think it was in May. [redacted] we started receiving some financing [redacted]

UNCLASSIFIED

[redacted] money was permanently given to us until May-June of 1984 when two things occurred: one, the U.S. Congress cut off the aid after the mining of the ports [redacted] and the manual, the CIA manual; and, two, due to the reluctant attitude of Commander Pastora to join forces with the north, we split. He kept the military forces that were inside Nicaragua, and I kept the political activities that were under my responsibility. I got in contact with Adolfo Calero, and the Indians [redacted] to create an umbrella organization that was called, at that time, UNIR, U-N-I-R. And that is the origin of what is now known UNO; that evolved and was founded in June of 1985 [redacted]

Q So there was a period from June of '84, approximately? Is that when you broke up with Pastora?

A Yes.

UNCLASSIFIED

Q Until the formation of UNO, that you functioned as an umbrella group under a different name, the UNIR?

A Yes. It was not as effective as UNO is now. It was very loose. We didn't have offices or anything. It was more a type of coordination, but the umbrella existed on paper but did not exist in reality.

Q Throughout the period of your direction of ARDE, what was the role of the MDN?

A Well, the MDN was the key political force in ARDE. We did have a few members that got involved in military activities in ARDE. By the way, the military activities in ARDE started in May of 1983. Okay? But the key role of the MDN was responsible for political activities and the standing by political activities, publications, seminars, missions to touch base with foreign politicians and political parties; trying to group and organize the Nicaraguan exile communities, et cetera.

MR. PARRY: Can we go off the record for a second.

(Discussion off the record.)

BY MR. PARRY:

[redacted]

UNCLASSIFIED

Page 16

DENIED IN
TOTAL

UNCLASSIFIED

Page 17

DENIED IN TOTAL

UNCLASSIFIED

[redacted]

Q Did you have any knowledge of how Mr. Pastora was procuring his arms, his weapons, during this time period?

A It was being mainly provided by the CIA.

Q And the money that he received was for food and clothing? Is that what it was?

A It was mainly for food, transportation, the whole apparatus of vehicles, and they did buy a few things here and there that they thought that they could do better than the agency like some radio equipment and some sophisticated equipment or things like that.

UNCLASSIFIED

Q How large was the military force of ARDE during this period?

A At the peak, that must have been May-June of 1984, Commander Pastora claimed to have about [redacted] fighters inside Nicaragua. And he had control about of half the San Juan River, that is the river that serves as a border between Costa Rica and Nicaragua.

Q [redacted] did you receive support or did you have contact with other representatives of the United States government?

A Usually I will have contact with the American ambassador as well as the political attache in the embassy.

In the beginning the ambassador was -- is it Frank or Fred MacNeil? Ambassador MacNeil, whichever. And then it was Ambassador Curtin Windsor. I had contacts and discussed political matters and sometimes, also, the operation of the help [redacted]

Q Any contacts with the NSC or with the White House during this time period?

A With the NSC, I did meet -- what was his name? -- A gentleman that now works with the Washington Times who was in charge of Latin American policy there. A French name that

I don't recall.

(Discussion off the record.)

BY MR. PARRY:

Q Just before our break you were mentioning an individual from the NSC that you had contact with during the period prior to June of 1984.

A Yes, sir. Now I recall, his name is Roger Fontain and that is the first person from the NSC that I met.

Later on, when the Kissinger Commission visited Costa Rica in early 1984, I also met Colonel Oliver North and he asked me to call him next time I was in Washington.

Q Is that the incident where he passed you a note in a reception line?

A Yes. Yes. I was shaking hands with the people that was inside the room: Dr. Kissinger, Ambassador Kirkpatrick and others, and I shook hands with this gentleman I didn't know and there was a piece of paper between his hands and my hand where he has written "next time you are in Washington please contact me, my name is Oliver North," and a phone number and it was very embarrassing because I had to shake hands with the next one and I didn't know what to do with the piece of paper that was in my hand so I had to move

UNCLASSIFIED

it and put it in my pocket.

Q So that was your first contact with Oliver North?

A That was my first contact. I don't think I contacted him in the next trip to Washington but in some of my trips to Washington I did contact him. This must have been in the middle of 1984 and I did pay several visits to him during the second half of '84 and '85 and '86.

From July-August of '84 until sometime in the middle of '85, if I don't recall it wrong, when there was no U.S. aid, I asked Adolfo Calero to keep on providing funds to cover the expenses of the political activities of ARDE, in Costa Rica. Being part of this UNIR, that is the first umbrella organization. And this was very awkward and very -- it bothers me because, being a political leader, getting money from another political leader in Nicaragua, had the effect of subordination to another Nicaraguan political leader, Adolfo Calero.

So, because of this I complained to several people that I wanted to get some direct assistance and in several of the meetings with Colonel North we discussed this and he expressed that he will look and see if he could help me -- help us out; "us" being, mainly, the political movements, an

UNCLASSIFIED

organization that has stayed with me in the split with Commander Pastora, that took place in May of 1984.

Q Can we go back to that split?

A Yes, sir.

Q Your political organization split off from Pastora's military organization. Then there was -- you subsequently were united witn other military organizations; is that correct? Fernando Chamorro's group -- how did that come about? Was he under Pastora and did he join your faction that split from Pastora?

A In ARDE, at the beginning, there were six organizations. Some of them stayed with Pastora. Some of them split into factions, and some of them stayed with me.

The ARDE political, that stayed with me, was my own party, MDN, "Negro" Chamorro's organization as a whole, UDN-FARN; a labor group that split, half of a labor group that split called STDN, and a Christian Democratic organization that also split, and part of it -- most of it stayed with me in the political activity.

So, at that time from May of 1984 until UNO was formed in June of 1985, these four organizations became part of ARDE and one of them, UDN-FARN, did have a military branch but had very, very little military activities.

Q So you retained the name "ARDE" after the split with Pastora; is that correct?

A The split was such that there were two ARDEs. He had the name "ARDE" and we had the name "ARDE," both had the same names. This was very confusing.

Q And I take it the funding you received first from Adolfo Calero had, subsequently, through Colonel North -- was intended for your entire organization, both the political and the small military unit of Fernando Chamorro's?

A Not exactly. The one we received from Adolfo Calero, yes. It was intended to maintain the four organizations that stayed with me that had mainly political activities and a little bit of military activities under Fernando Chamorro.

The second part, the ones that I received after my conversation with Colonel North, were mainly to be divided into two organizations only, not four. Two organizations: MDN and UDN; both being political. Okay?

Q And the UDN, again, was under Chamorro?

A Yes, sir.

Q But it was his political activity?

A Yes.

Q Okay.

A Because there was humanitarian aid coming already for whatever small activities we had [redacted] and the humanitarian aid was enough to take care of the military branch under him called "FARN."

Q In terms of their food and --

A Food, clothes, medicines.

Q Do you know during this time if they received additional weapons or ammunition and how that was paid for?

A They could have received some small lots of ammunition, coming from private people. But let me make -- let me state that part of the commanders of Pastora, in May of 1986, came back to UNO. UNO had been formed already, and they came back to us and they had -- the forces have diminished from [redacted] to maybe [redacted] active and they were very badly equipped.

Sometime after that, I think the first one being in September of 1986, there were several flights.

Q September of '86? Or '85?

A '86.

Q '86?

UNCLASSIFIED

A '86.

Q Just this past year?

A Yes, not too far away.

Q All right.

A Several flights took place in the second half of '86. Let's put it that way. And they were mainly military logistics, going inside Nicaragua for the southern front.

Q Did you have any communication with the private benefactors, the persons making these air drops inside Nicaragua?

A No, sir. I was informed only, a posteriori, about everything that they received. And in general terms, general.

[redacted]

Q Okay. You didn't have any role in communicating what was needed in terms of military supplies for these drops? You were just told after the fact that drops had been

UNCLASSIFIED

made?

A No, sir. I had nothing to do with the implementation or anything.

Q Do you know who would have? Would Fernando Chamorro have communicated the needs of the military?

A Logically it will be either him or someone under him.

Q Do you know who he communicated with?

A I could imagine it would be someone from the CIA [redacted] but --

Q You are just guessing. Did he ever indicate to you who it might be?

A No. I wouldn't know for a certainty.

Q Is there anything to make you believe that the CIA would have been the intermediary in communicating that information?

A Yes. I think the fact [redacted] logically makes me believe that they were helping what they called the "patriotic Americans" in these efforts to resupply the troops from the southern front.

Q Do you have any idea of the total amount of

UNCLASSIFIED

materials supplied, the value of the military supplies that were delivered?

A Delivered where? To the south? Or to the total operation?

Q To the south.

A I think the south received between five and six flights. These flights usually will be 8000, 10,000 pound flight.

The material that was delivered there sometime was ammunition. There were a lot of boots and uniforms, and there were some weapons. And my guess will be that the cost of that will be in the neighborhood of $20 per pound.

If that is the case, every drop will be about $200,000, being five or six, will be in the neighborhood of $1 million to $1.2 million.

Q Okay.

A Plus the cost of transportation that I understand was in the neighborhood of $20,000 to $30,000 each, because of the risk it involved. So you will have to add to the previous total about 100-, $120,000 more, about.

Q All right. Now, do you know whether the materials supplied that you have estimated to have a value of about

UNCLASSIFIED

$1.2 million, were those paid for by these patriotic Americans? Or had they previously been purchased by UNO or the FDN?

A It was a mixture of the two. It was not -- it wasn't UNO, because at that time UNO did not have any money for military purposes.

Q Okay.

A It didn't have any military aid. So it could come from only two sources.

What they, "patriotic Americans," or FDN who bought it previously and it was in FDN warehouses. It could well be that in one flight it could be some things from one side, some things from another.

Q Do you think there were some of each?

A Yes. I don't know where it came from but this is what I have learned.

Q It could have been either or both? Is that what you are saying?

A That is correct. Either or both.

Q Do you have similar knowledge with respect to the total supply by the patriotic Americans? Not just in the south.

A I was told by Adolfo Calero that the total amount of flights were between 20 and 25. That being the case, and applying the same arithmetic, that will be between $5 to $6 million in total, including goods and transportation costs.

Q What was the period of time of these 25 flights? Do you know that?

A I only have knowledge of the ones in the south. The ones in the south took place, I think, between June to when the Hassenfus accident took place, that I don't recall.

Q Okay. Late October?

A Is that when that occurred?

MR. BUCK: October 5th.

MR. BERMINGHAM: October 5.

THE WITNESS: Until October -- then.

BY MR. PARRY:

Q All right. Do you know the names of any of the individuals involved in the supply effort by the "patriotic Americans"?

A No, sir.

Q You didn't have any direct contact?

A No. Adolfo Calero told me once, in late November of 1986, that the person that handled all of these was

UNCLASSIFIED

Captain Cooper --

Q Okay?

A -- who was the pilot in the plane that was dropped down in -- the Hassenfus flight.

Q Did you ever discuss the supply operation with Colonel North or any of Colonel North's representatives?

A No, sir.

Q. He never indicated any connection or control over the "patriotic Americans"?

A In talks that we had, he indicated knowing about it.

Q Okay.

A But, since I was not involved in it there was no detail or anything.

Q Let's go back to the funding now.

A Yes.

Q Prior to money received from Colonel North, you received money from Adolfo Calero; is that correct?

A Yes.

Q Do you recall approximately the total amount of money received through that source?

A Roughly $600,000.

UNCLASSIFIED

MR. PARRY: Can we mark this as the first exhibit.

(Robelo Exhibit 1 identified.)

BY MR. PARRY:

Q Mr. Robelo, I'm going to show you a set of documents relating to what we believe are the funds you received from Adolfo Calero. The first two pages are computer printouts, based on bank records that Adolfo Calero has provided to the committees. And the subsequent documents are the individual documents evidencing the various transfers.

Would you look at these and first tell me if the numbers on the computer printouts would show the dates and amounts of the various transfers from Adolfo Calero's accounts appear to be accurate?

A They appear to be accurate according -- to the best of my knowledge, yes.

Q Now, the accounts that you had set up for receiving these funds was in which bank?

A [redacted]

Q And the name on the account was?

A I don't recall if this one is the same

UNCLASSIFIED

[redacted] account, or could be a personal account under my name. I know about the others but not this one.

(Discussion off the record.)

THE WITNESS: What we were talking about?

BY MR. PARRY:

Q You said you didn't know whether this was your account or the private account --

A After seeing the records, it was clear that this was transferred to an account, special account, under my name in [redacted]

Q So that was not the same account later used by Colonel North?

A No. It is not.

MR. PARRY: Can you mark this as the second exhibit?

(Robelo Exhibit 2 identified.)

BY MR. PARRY:

Q The other documents marked as Exhibit 2, the other documents, are documents which you yourself provided to the committees at an earlier date. Those are the documents representing the the monies received through Colonel North; is that correct?

A Yes. These are the credit notes of [redacted] [redacted] of cable transfers to the account of [redacted] that were the result of my conversation with Colonel North requesting direct financing of military operations -- I'm sorry -- political operations of MDN and UDN. The total amount being $225,000 minus cable cost expenses that account for a few dollars each time.

Q How were those funds divided between MDN and UDN?

A At the beginning there are some transfers that are larger than the normal $10,000 per month because we had run into some debts and we wanted to clear that out.

Later on it will be $10,000 and it was usually divided 50:50.

I say "usually" because in the beginning I don't think it involved any of UDN-FARN; and also because at the end, the fact that humanitarian aid was coming to UDN-FARN, also meant that it stopped, earlier, that November of 1986.

In other words, in the last month it was not divided. At the beginning it was not divided. But in the middle it was divided half and half.

Q There appears to be substantial drop off in the amount of funding you received through Colonel North as opposed to the funding received through Adolfo Calero. Were they both intended to finance the same operations?

A No, sir.

Q What was the difference?

A This -- the amounts received from Adolfo Calero were to sustain ARDE as a whole. That, as I mentioned before, it is four organizations and a larger structure as such.

These funds, from coming -- because of my talks with Colonel North -- was only to finance the political activities of two organizations, not four. And had nothing to do with ARDE as a coalition.

Q Did ARDE dissolve when UNO was formed?

A Yes, sir. ARDE stopped operating when UNO was founded in June of 1985.

Q Okay. Approximately at the same time. I see the last contribution through Calero came July 3 of '85?

A Yes.

Q So that approximately coincides with the dissolution of ARDE and the formation of UNO?

A Of UNO.

Q Is that correct?

A That is correct. The money coming because of my conversations with Colonel North that are in Exhibit 2, started more or less at the same time UNO was formed and they were intended only for political activities of the two organizations that I have mentioned.

Q Do you know how the other two organizations that were in ARDE -- did they continue in existence, continue to receive funding?

A Yes. Only through UNO, whenever they were involved in the structures or projects of UNO.

Q Okay.

A In the case of my party, the MDN, we kept a separate office in San Jose, Costa Rica, that we still have. And for party activities we use that office and most of this money, received through Colonel North, the part that was for MDN, was used as party funds to cover political expenses like rent, telephone bills, salaries for the receptionist, the office administrator, the night watch; publications -- we have a bimonthly publication called Rescate; some seminars of members of my party; some missions to foreign countries, things of this nature.

Q Did you yourself receive a salary out of these funds?

A No, sir. I have never received any salary because of my work as a politician. I have never received any salary out of either my party or UNO or ARDE. I had my own savings out of my work in Nicaragua, and that's what I live from.

Q [redacted] I think, has indicated that he received money from Colonel North for his personal expenses and I think Adolfo Calero has indicated the same thing, in terms of a salary. But you never received that type of funding?

A No, sir. Never ever. [redacted] made it public to us, the directors of UNO, in a meeting in May of 1986 in Miami, that in order for him to cover his living expenses as well as some political expenses, he was receiving some money.

That is not the case in this money that [redacted] received. This is money for political organizations, specifically and mainly the MDN and in some part, in a minor part, UDN-FARN.

Q All right. Do you -- at this time, do you have any outside interests, activities, to generate income for supporting your family?

A Yes, sir, I do. I have a coffee farm in Costa

UNCLASSIFIED

Rica that I bought many years ago. I have interest in a sugar mill. I have interest in --

Q In Costa Rica?

A In Costa Rica, yes. I have interest in a larger coffee farm in Costa Rica. I have savings accounts in Costa Rica, time deposits in Costa Rica where I live from.

Q And your family lives in Costa Rica at this time?

A Yes. My family in Costa Rica and I am divorced and my ex-wife has a house and has her own living.

Q Prior to your exile from Nicaragua, what was your business in Nicaragua?

A I am a chemical engineer and I have worked from 1961 until 1979 as an executive in an agribusiness complex that produced cooking oil out of cottonseed and that had investments in cotton plantations, banking as well as what I have mentioned that I still have in Costa Rica that is a product of that agribusiness complex.

Q Let's go back to the money supplied by Adolfo Calero. Did he tell you what the source of that money was?

A Private donors that wanted to remain anonymous.

Q Did he indicate whether they were American citizens or from foreign countries?

UNCLASSIFIED

A No, sir.

Q Did he indicate that he knew anything beyond what he told you?

A He didn't indicate anything. Just mentioned that. So I could not say if he knew or did not know.

Q He didn't give you anything --

A No.

Q You just assumed that they were private donor Did he mention who raised the money for him?

A No, sir. There were some names that were public, like General Singlaub and other people but he mentioned the fact that most of these contributors will want to remain anonymous. Wanted to remain anonymous.

Q Again, with the money received through Colonel North, did you understand anything with regard to the source of those funds?

A Colonel North in one conversation explained that these were foreign, private donors.

Q So with the money in the [redacted] account, you understood they were foreign private donors. The money from Calero they were just private donors, could have been foreign or --

UNCLASSIFIED

A That is precise.

Q And when they say "foreign" they mean non-United States, I assume?

A That is correct.

Q Beyond that did he identify the countries or the individuals that were contributing?

A No, sir.

Q The first check in this Exhibit 2, or the first wire transfer, comes from a John Ramsey; is that correct?

A That is correct.

Q Do you know anything about Mr. Ramsey, or how it came about that he wired, was it $10,000?

A No. At the time I received this money I knew nothing about who he is -- who he was. A posteriori, now, I received the visit of Rich Miller, the 9th of April of this year. When I asked him who John Ramsey was, he told me he was an American contributor and he knew who he was. But at the time that I received this, I honestly didn't -- did not read about this -- just took knowledge and filed these credit notes.

Q This was arranged by Richard Miller? This transfer?

UNCLASSIFIED

A No. No. I don't know.

Q You don't know?

A I don't know.

Q What was your connection with Richard Miller?

A Richard Miller was introduced to me by Colonel North, either in his office at the White House or else in a telephone conversation and then later on I went to Miller's office.

Miller acted more like an adviser on visits to the different media in Washington, like television and radio and newspapers.

He did accompany me several times to visit a journalist or televisions or radio stations, and they did make some appointments for me.

When I say "they" it means the organization he has with another person that I know fairly well, Frank Gomez.

Q Was it your understanding at the time that Mr. Miller or Mr. Gomez had anything to do with the money that was sent to your [redacted] account?

A No, sir. My talks about this deal was only with Colonel North.

Now, a posteriori also, I have seen here in the second and third transfer, the name "International Business Communications" appears.

Q Right.

A These were the two largest money transfers because we had, as I had mentioned, previous debt that we had to pay. Mr. Miller visited -- visited me last April 9th here in Washington, and asked me to write an acknowledgment of this money being received. I promised that I will acknowledge that and give copies of these transfers -- photocopies of these transfers.

Again, I found that this money was coming from IBC, only when I looked at my files in order to get these records out in order to cooperate in this investigation.

I didn't pay attention to that when I received it.

Q Okay. So I take it that prior to April 9th of this year, you had no idea that John Ramsey had any connection with Richard Miller whatsoever?

A That is correct.

Q You didn't know that Richard Miller or Frank Gomez were in any way connected with the funds being provided to you[redacted]account?

A I did not know at the time the funds were provided

UNCLASSIFIED

because I didn't look in detail on the credit notes.

When I looked for the credit notes, in order to cooperate with the investigation, I found those names and, since I have seen those names in the newspapers, then it became --

Q After the deposits from International Business Communications, there are deposits from Lake Resources. Again, you didn't know who Lake Resources was or who had control of that account?

A No, sir. I had no knowledge and there are three deposits from Lake Resources, each one of $15,000 and I didn't know who Lake Resources was. I know now because of the publications in the newspapers.

Q All right. Subsequent to the transfers that specifically identify Lake Resources there are some documents that don't specifically identify the source. They either say "one of our clients" or "El Mismo," do you know who the bank was referring to or this document was referring to when it says "one of our clients" or "El Mismo"?

A No. I have no idea. After the transfer from Lake Resources, all of the rest don't have any identification of who ordered these cable transfers. It only gives the name of

UNCLASSIFIED

the bank.

In some cases it is [redacted] and I think, after seeing here it is really [redacted] [redacted] Because at the bottom [redacted] so it's a mistake here, it's [redacted]

Some say [redacted] that's [redacted] some of these come from Credit Suisse, Geneva. But all of them say by order of "El Mismo" which, in Spanish, means "the same." So there is no more information.

When I received this money and it was for monthly resources, at that time I marked them down with the names of the months that it corresponds with at the bottom. Like, in here, in the third receipt I have "August-September." And then it says, "October." "November." Et cetera.

There were some cases when there were delays, and then two monthly installments will come in one, like the one of the 25th of August of 1986 that covered July-August. Instead of being for $10,000 it is for $20,000.

Q Was the last payment received that of November of '86?

A Yes. The last payment was received November 4,

UNCLASSIFIED

1986. According to my records, that is the November monthly resource for the political organizations. However, in the credit note it's the only one that has a reference saying "October '86."

Q Since this last payment, either October or November '86, how has MDN and UDN been funded?

A Well, UDN, I don't know. UDN, I don't know.

MDN has, in addition to this, received for quite some time private donations from Nicaraguans. And, in fact, everyone -- every MDN member that is involved in any political activities and receives, because of his work a stipend, according to the magnitude of the stipend, has to give a certain percentage to the party.

Q I see.

[redacted]

UNCLASSIFIED

[redacted]

Q Was there any period of time between '84 and '85 or '86, that the CIA said they could not provide you with funds?

A Oh, yes. The CIA has not given funds to the MDN; no funds during late '84, I am sure. Nothing, I think, during 1985. Maybe in early 1986 it has started, or the middle of '86.

Q I take it coinciding with the expiration of the restrictions on the CIA under the Boland amendment; is that your understanding?

A Yes, that's my understanding.

Q Now, the Nicaraguans that are funding the MDN, I take it these are all Nicaraguans in exile?

A Yes, sir.

[redacted]

UNCLASSIFIED

[redacted]

Q Prior to October 24th of '86, during the period of the Boland amendment, do you know if the CIA provided any funds to the military operation in the south?

A No. Nothing. I know nothing -- I know of nothing.

First, from May of 1984 until May of 1986, there was almost no military operations in the south because in the split with Pastora, Commander Pastora has retained most of the forces so there was no military forces in the south.

Now, from May of 1984 on -- from May of 1986, I correct myself, on, there was some humanitarian aid. And that took care of the nonlethal part of the military operations.

The military ones, as I have stated before, came from what I call the Hassenfus flights that took place and they were the ones responsible for lethal logistics.

MR. PARRY: I'm just about finished with the questions I have. I would just like to go back and ask you about individuals and then I think these two gentlemen might also have some questions. But let's go back to Colonel North.

BY MR. PARRY:

Q You met him in early 1984 in connection with the Kissinger Commission and he passed you a note.

Did you follow up with him solely because of that contact or did other people recommend that you contact Colonel North?

A Out of that contact I developed a friendship and, usually when I came to Washington, I would pay a visit to his office because of the reality that Colonel North was very knowledgeable about Nicaragua; very knowledgeable about the policy of the U.S. government, and his knowledge was not only military but also political. And knowledgeable about the resistance structure and problems. So it was a very useful

UNCLASSIFIED

person to talk to because of his knowledge.

Q So from that first contact the relationship developed on your own initiative? You took it upon yourself to contact him when you were in Washington?

A Yes, sir. Yes, sir.

Q Who else, working for Colonel North, did you have contact with?

A Working for Colonel North?

Q Or who did you understand was working with Colonel North?

A I understood first, Robert Owen.

Q When did you meet Robert Owen?

A I think I met him at Colonel North's office. Let's get these dates straight. Could I go off the record?

MR. PARRY: Sure.

(Discussion off the record.)

THE WITNESS: In March of 1985. He was presented to me as a private citizen, helping Colonel North to get aid for the Nicaraguan resistance from the U.S. Congress.

BY MR. PARRY:

Q After that how many times did you see Robert Owen, and what was his role?

UNCLASSIFIED

A I saw Robert Owen several times here during -- from March '85 to October '85. Usually at Colonel North's office. Maybe a couple of times outside his office.

Later on, when the humanitarian aid was approved in September-October 1985, because of his knowledge about Nicaragua and Central America, we requested from the Nicaraguan Humanitarian Assistance Office, NHAO, that was headed by Ambassador Duemling, D-u-e-m-l-i-n-g, I think -- that Robert Owen be included in the personnel as an expert, with expertise, or a man that will help us in getting the humanitarian aid moving and getting it to Central America in the best way.

Q So you recommended Robert Owen for the position?

A We, the three directors, did.

Q Prior to this time, though, you understood that he was working for Colonel North?

A I understood that he was a private citizen cooperating with Colonel North on Colonel North's efforts to get aid for the Nicaraguan resistance.

Q Did he meet with you [redacted] prior to the time he became involved with the humanitarian aid?

A No, sir. I don't recall. But he did meet with me

UNCLASSIFIED

two or three times [redacted] after he became involved in the logistics of the humanitarian assistance; yes.

Q What were the purpose of his visits [redacted]

A To give me a report on how the humanitarian assistance was flowing, both to the north and to the south.

Q Other than Colonel North, were any other individuals involved? Did you have contact with, that were involved with Colonel North?

A I mentioned that I met Rich Miller and Frank Gomez.

Q All right.

A Both from IBC, through Colonel North. And that they helped me out in getting some interviews with newspapers, television, et cetera.

Q Along that line, did you ever meet Mr. Channell?

A I met Mr. Spitz Channell in March of 1985, I think it was. But not through Colonel North but through FDN. I met Mr. Channell at FDN headquarters here in Washington at Jefferson Street in Georgetown, they used to have headquarters.

I saw Mr. Channell a couple of times when we paid visits to President Reagan and there were large gatherings of

UNCLASSIFIED

people that supported the cause of the Nicaraguan resistance, and Mr. Channell was there; General Singlaub was there. But these were more of a protocolary formal gathering where no substance was discussed.

Q Did you ever understand that Mr. Channell had a role in providing funding for the FDN or for the UNO?

A No, sir. My understanding was that he did fundraising to have a political campaign to help the aid to Nicaraguan resistance. But I knew of no direct funding of UNO -- to UNO, I mean.

Q This would have been for American political campaigns? Is that what you understood his role was?

A Yes, sir. I did watch television advertising, that was paid for by some organizations funded by the organization of Mr. Channell.

Q Were you ever told or did you ever understand that either Mr. Miller or Mr. Gomez or Mr. Channell were involved in procuring weapons or arms for any Contra groups?

A No, sir.

Q No reason to believe that that happened?

A No. I had no reason to believe and I would have not known because that's not the area that I had.

UNCLASSIFIED

Q How about Jane McLaughlin, did you ever meet her?

A Yes. I met her at a reception put out by Polemka in one Washington hotel. I don't recall the name, for Colonel Enrique Bermudez, from the FDN. We had met several times to, in general, discuss the Nicaraguan resistance situation and to discuss how the aid to the Contras was.

Q What did you understand her role to be?

A She was an executive in Spitz Channell's organization in charge of fundraising specifically for aiding the resistance -- aiding -- for aid to the resistance, I should say. Do I make myself clear?

She was an executive in Mr. Spitz Channell's organization to do fundraising that will pay for political advertising or propaganda in this country to help create favorable public opinion for the aid to the Nicaraguan resistance.

Q But again it was your understanding that they were not raising funds for either military or nonmilitary aid directly to the Nicaraguan resistance?

A My understanding was that she and the organization she worked for were not fundraising for any military activities and were not fundraising to help UNO directly.

However, Spitz Channell's organization did have some financing to IBC, where Rich Miller and Frank Gomez worked, and they were helping us doing some lobbying and with the press here. So, indirectly through that service they were helping us.

Q All right.

A On top of that, when Mr. Carlos Ulvert was the person in charge of our UNO Washington office, he, Mr. Ulvert, informed me that through a conversation with Rich Miller, he, Mr. Ulvert, has received some funds to cover the expenses of the UNO Washington office.

Q From Richard Miller?

A Yes, sir. From Richard Miller.

Q Do you know what the amount was?

A Close to $100,000.

Q This was at what time?

A The first half of 1985.

Q Is that the only instance you know of? Or knew of that money was coming directly from Miller -- from Mr. Miller to any of the Nicaraguan groups?

A Plus two small incidents, two small events when they gave me some money.

Q Maybe we should talk about that. In addition to the money that was put into the [redacted] account which you understood was arranged by Mr. North, were there any other contributions of cash made to you or your group?

A Two incidents happened. One took place in, I think it was April 4, 1984. Could it be '84? No, no, no, no. I'm wrong. It has to be April 4, 1985. Yes, '85. It has to be '85.

That was the first time when I met with President Reagan and -- yes, that's correct. A Lear jet was sent down to Costa Rica to pick me up. My understanding was that both Colonel North and Rich Miller and his organization, had to do with the contracting of that Lear jet that went down to Costa Rica to pick me up. And my understanding is that they paid for whatever cost that was.

Due to an accident that the airplane suffered, when bringing me back in the Caribbean, we have to land in Cancun in an emergency landing and I came very late for the meeting with the President and without any sleep the whole night before. They have made reservations for me at the Hay-Adams, that is a very expensive hotel. And I complained that I didn't have money to pay for that expensive hotel and,

UNCLASSIFIED

through Colonel North, one of his assistants that I don't recall gave me an envelope with $300, if my memory doesn't fail. I think it was three $100 bills; three $100s.

The second incident is sometime, it could be earlier or later, I don't know. But I came to Washington to lobby Congress and my plans were to stay here for only a few days and I had to stay for three weeks at a hotel called Ramada Renaissance on M Street and because of my credit card hit the limit I was very annoyed and I requested from Rich Miller to help me. And he did send me eight traveler's checks of $100 each, totaling $800 that I deposited in the hotel account so I could stay for the rest.

Q Going the other way, were you ever asked to give money to Colonel North or to Richard Miller or any of these people?

A No. Never.

Q Do you know if any of the Nicaraguan resistance groups were ever asked to give money to any of these people?

A No. Never.

Q How about General Secord, have you ever met him?

A No, sir. Never.

Q You mentioned you had met General Singlaub. What

UNCLASSIFIED

sort of contact have you had with him?

A I had met General Singlaub two or three times in my life.

The first time was in Miami when he invited me for dinner with several other Nicaraguans at the Viscount Hotel to discuss an event where the several Nicaraguan leaders of the resistance will get together and where my name was included without my previous consent.

After that, I think I had met General Singlaub twice in the White House on these protocol gatherings with President Reagan and in those cases we only said hello.

Q You haven't had any communications with him regarding military supplies or --

A Never ever.

[redacted]

UNCLASSIFIED

[redacted]

Q How about the State Department? What contact have you had with the State Department in Costa Rica, other than the ambassador?

A Well, I usually talk to the political attaches there. I talked to Mr. Charles Harrington who works there, and who is continuously asking me to meet with visitors from Congress and others. And I have met with the political attache. I don't recall his name.

Q How about Elliot Abrams. What has your contact been with Elliot Abrams?

A Whenever I come to Washington it is almost certain that I will pay a visit to Mr. Abrams and discuss with him the U.S. policy towards Nicaragua. We usually will meet with several of his staffers and assistants.

Q Would you discuss the same things with Abrams that you would with Colonel North?

A I will say my discussions with Mr. Abrams are usually more on the political side. With Colonel North, because of his background we did get involved in more of the military strategy. In broad terms, but military. With Elliot Abrams we seldom discussed any military matters because it's not what they handled.

Q Did Elliot Abrams ever know about the funding that you were receiving through Colonel North?

A I don't know.

Q You never discussed that with him?

A Never ever.

Q Did you ever discuss the patriotic Americans supply network with Elliot Abrams?

A I don't recall ever discussing it.

Q Did you discuss those things with anybody at the State Department?

A No.

MR. PARRY: Okay. I don't have any more questions.

MR. BERMINGHAM: I would take a few minutes, if I might

UNCLASSIFIED

EXAMINATION

BY MR. BERMINGHAM:

Q There has been a lot of publicity about the airport -- air strip John Hull at Santa Elena; John Hull's former aircraft, the Santa Elena air strip, a group of Cubans allegedly active in Costa Rica. What is your view or knowledge of those?

A I have met Mr. John Hull, H-u-l-l -- right?

Q Yes.

A Several times. He's an American who has a farm in Costa Rica. I have been on his farms once. [redacted]

Later on I have not seen any of -- I have not seen Mr. Hull -- I don't think I have seen him in maybe the last three years.

Q Do you think he's been inactive in the support of the Democratic forces?

A He has always been a man that is willing to help the struggle -- the Nicaraguan resistance. I know nothing about activities in his farm that has to do with Cubans. Only very broad rumors, in Costa Rica, about some Cubans

UNCLASSIFIED

there. And that's not -- that is not in recent months but several months ago.

Q Let me ask you about the air strip at Santa Elena. Did you have any involvement in that?

A Which one is the one in Santa Elena [redacted] [redacted]?

Q Yes.

A I only know what appears in the Costa Rican newspapers.

Q One last question for the record. There has been a lot of talk about drugs playing a very important part in the raising of funds. Would you like to make a statement about that for the record?

A Yes. I know of no people involved in UNO that had any connections with any person involving drugs.

Now I know of people in -- one person who is in BOS, in the southern opposition block, who, because of a television program in CBS called 57 West, says that I have some involvement in late 1984 with a drug dealer that is in jail in Miami. But no one from UNO organization have I ever known of being involved in anything that has to do with drug trafficking.

UNCLASSIFIED

Q You state no one in UNO. Would you say, other than this man in BOS, would you know about any other from any organizations?

A I do remember one incident, a long time ago, when I was in ARDE, that a Nicaraguan in link with the struggle in the south, by the name Sebastian Gonzales, had to flee Costa Rica to Panama because he was accused by the Costa Rican authorities of being involved in drug trafficking.

He lives in Panama and has lived in Panama for the last two years at least. And he was not directly involved in the struggle but he was a Nicaraguan exile with some contacts with Commander Pastora.

Q But when you were active in the Costa Rica with ARDE and the other organizations you saw no funds coming in of drugs or knew of no drug operation?

A Never ever. No, sir. Never.

MR. BUCK: I had some questions.

MR. PARRY: I had just one question that occurred to me.

EXAMINATION

BY MR. PARRY:

Q Mr. Miller had some records where he referred to

UNCLASSIFIED

people by code names.

Do the names "Spark" or "Clutch" have any significance for you?

A What?

Q Spark, S-p-a-r-k?

A No.

Q Or Clutch, C-l-u-t-c-h?

A No. What is that, my code name?

Q Might be. I don't know.

A No.

EXAMINATION

BY MR. BUCK:

Q Have you ever heard of the code name "Green"?

A I met with Jane McLaughlin two or three weeks ago and she said that "Green" was the code name for Oliver North. But I have known about that code name only recently.

Q Did you -- do you remember a conversation with Jane McLaughlin in which she asked you about your organization receiving Singlaub-type aid?

A At one time she was very surprised because she asked me the assistance that Spitz Channell's organization was giving to us and according to my knowledge there was no such aid. And she was very surprised.

I do recall it, not in detail, but yes. Because she was surprised. What do you mean we are not helping you? I said no, you are not helping us. Maybe you are helping us the same way General Singlaub's organization is helping us but nothing of significance. Because I knew nothing about private funding.

I would like to add one thing that may be of interest to you. In August of 1985, at a meeting of UNO directorate [redacted] where Adolfo Calero, Arturo Cruz, and myself were present, [redacted] we came to an agreement that all funds, irrespective of the origin, should be channeled and controlled by the directorate in a collective way. In other words, would not be individually controlled but collectively controlled among the three of us.

In subsequent meetings that usually were every month, I will say September, October, November, December 1985 and maybe January of 1986, I asked Adolfo Calero, who was the one mostly involved in the handling of private funds, especially with my previous experience of receiving money from him, what was the situation of funds coming to --

UNCLASSIFIED

private funds coming to help the cause? And the answer, in each and every one of those meetings of the directorate, was: I have received no funds and there is no money available to be disbursed by the directorate.

I interpreted this as Adolfo not wanting to share that responsibility with us and I gave up asking him more about that.

Q Would you have known about weapons that would have been delivered to your -- to a military group associated with the southern front or military groups associated with the northern front?

A I did know, as I have expressed, of some air drops that were made to the southern front and they usually will inform me of how many bundles and how many pounds. I did not receive any report on the details of what those bundles contained.

Q What I'm wondering is, you mentioned that you believe they were paid for by private donors.

A Yes, sir.

Q And we have Mr. Channell raising money from private donors. But at this point in time you have not made a connection between Mr. Channell's activities and the

UNCLASSIFIED

private doners and military air drops?

A No. I did not make such connection. Besides that, my understanding was that Mr. Channell's fundraising was devoted mainly for political campaigning in the United States to move the public opinion in this country in favor of Contra aid.

Q Who told you that or how did you develop that opinion?

A Because I saw the advertising that appeared in the television continuously and I saw how he was doing publicly these moves to change the public opinion. And I honestly didn't think of any links that he may have with providing funds for weapons or military logistics.

Q So, when you saw him with Colonel North, again your assumption was that he was helping out in a political sense and not --

A I don't recall ever seeing Spitz Channell with Colonel North. But in the large meetings with the President I don't recall ever seeing Spitz Channell in Colonel North's office.

MR. BUCK: Okay. I have no more questions.

MR. PARRY: Just one.

UNCLASSIFIED

THE WITNESS: There's always a last one.

EXAMINATION

BY MR. PARRY:

Q What is your opinion of the efficiency of the private supply network? How did it operate? The airlifts?

A It became evident after the drop of the Hassenfus flight, because of the documents the crew carried and because of the pattern that they flew, that this was not a very well prepared and secure and effective operation. To the contrary, it became evident that it was very unprofessional. But I didn't know nothing at the time of the flights.

Q Prior to the Hassenfus, you hadn't heard complaints?

A No, sir.

Q Anything about the ammunition not matching the weapons that were dropped? Things like that?

A Maybe once or twice Commander Chamorro told me that they had dropped materials that were not of use to the troops. Not necessarily not matching but maybe sometimes in excess of what they really need, so it only meant more weight to the insurgents.

Q Were they always dropped in the right spots?

UNCLASSIFIED

A Oh, no. There were tremendous problems because there will be drops that will not coincide with the dropping zone. In many cases there were bundles that were lost because of not dropping in the proper zone.

Q Fernando Chamorro would communicate this to you?

A Yes, sir.

Q Did you ever meet anybody named Max Gomez or Felix Rodriguez?

A No, sir. Never.

Q Rafael Quintero?

A No.

MR. PARRY: Okay. No more questions.

(Whereupon, at 12:20 p.m., the deposition was concluded.)

UNCLASSIFIED

CERTIFICATE OF NOTARY PUBLIC & REPORTER

UNCLASSIFIED

I, JOEL BREITNER, the officer before whom the foregoing deposition was taken, do hereby certify that the witness whose testimony appears in the foregoing deposition was duly sworn by me; that the testimony of said witness was taken in shorthand and thereafter reduced to typewriting by me or under my direction; that said deposition is a true record of the testimony given by said witness; that I am neither counsel for, related to, nor employed by any of the parties to the action in which this deposition was taken; and, further, that I am not a relative or employee of any attorney or counsel employed by the parties hereto, nor financially or otherwise interested in the outcome of this action.

Notary Public in and for the
District of Columbia

My Commission Expires 8/14/90

UNCLASSIFIED

12 APR 87

UNCLASSIFIED E X 0248

REFERENCE
BANK TRANSACTIONS

Report Date: 4-13-87

Date	Source Bank	Transaction Type	Reference Number	Amount
Account Name:	POSSIBLE NAME [redacted]		17011	
04-25-85	1007	Wire Deposit		2,000,045.00
Balance:		2,000,045.00	Document Number:	0288-7
Account Name:	~~ACCOUNT NAME UNKNOWN~~		17017	[redacted]
08-01-84	1007	Wire Deposit		50,045.00
Balance:		50,045.00	Document Number:	0312-1
09-13-84	1007	Wire Deposit		50,045.00
Balance:		100,090.00	Document Number:	0312-9
08-29-84	1007	Wire Deposit		50,045.00
Balance:		150,135.00	Document Number:	0312-15
10-09-84	1007	Wire Deposit		25,045.00
Balance:		175,180.00	Document Number:	0307-2
10-18-84	1007	Wire Deposit		25,045.00
Balance:		200,225.00	Document Number:	0307-14
11-05-84	1007	Wire Deposit		65,045.00
Balance:		265,270.00	Document Number:	0305-8
11-19-84	1007	Wire Deposit		35,045.00
Balance:		300,315.00	Document Number:	0305-18
12-06-84	1007	Wire Deposit		75,045.00
Balance:		375,360.00	Document Number:	0300-10
01-04-85	1007	Wire Deposit		35,045.00
Balance:		410,405.00	Document Number:	0297-[illegible]
02-08-85	1007	Wire Deposit		35,045.00
Balance:		445,450.00	Document Number:	0294-2
02-28-85	1007	Wire Deposit		35,035.00
Balance:		480,485.00	Document Number:	0294-20
03-26-85	1007	Wire Deposit		35,035.00
Balance:		515,520.00	Document Number:	0291-23

5651

Partially Declassified/Released on 3 Feb 88
under provisions of E.O. 12356
by K. Johnson, National Security Council

29

UNCLASSIFIED E X 0249

```
              REFERENCE
         BANK TRANSACTIONS                   Report Date:   4-13-87


           Source        Transaction  Reference
  Date      Bank             Type      Number                    Amount

04-26-85   1007        Wire Deposit                              35,035.00
Balance:               550,555.00     Document Number:           0248-31

05-21-85   1007        Wire Deposit                              25,035.00
Balance:               575,590.00     Document Number:           0210-19

07-03-85   1024        Wire Deposit                              25,045.00
Balance:               600,635.00     Document Number:           0159-7

Account Name:  [redacted]                     (8004)

03-05-86   1024        Check                                     37,418.00CR
Balance:               37,418.00CR    Document Number:           0120-1

04-01-86   1024        Check                                     83,368.00CR
Balance:               120,786.00CR   Document Number:           0117-1

Account Name:  [redacted]                     (8005)

08-09-84   1007        Deposit              111                   2,300.00
Balance:                 2,300.00     Document Number:           0312-9

Account Name:  [redacted]                     (8007)

07-11-84   1007        Deposit              106                   4,000.00
Balance:                 4.000.00     Document Number:           0318-3

Account Name:  [redacted]                     (8010)

08-27-85   1024        Deposit        113                         4,093.00
Balance:                 4,093.00     Document Number:           0152-28

Account Name:  [redacted]                     (8011)

08-26-85   1024        Deposit        120                         7,500.00
Balance:                 7,500.00     Document Number:           0152-33

Account Name:  DHL                            (8014)

07-10-85   1024        Deposit        101                            29.95
Balance:                    29.95     Document Number:           0169-41
```

UNCLASSIFIED

10 Aug 84

UNCLASSIFIED

Agosto 10, 1984 0 714

[redacted]
Presente.

Muy señores nuestros:

Por medio de la presente les autorizamos a debitar nuestra cuenta corriente [redacted] la cantidad de ------- US$50,000.00 para que se sirvan efectuar la siguiente transferencia:

a) [redacted]

b) Para crédito de Cta. Especial U.S. Dólares
No. [redacted]

Atentamente,

[redacted]

OK

5652

Partially Declassified/Released on 3 FEB 88
under provisions of E.O. 12356
by K. Johnson, National Security Council

UNCLASSIFIED

28 Aug 84

UNCLASSIFIED

Agosto 28, 1984 0 710

[redacted]
Presente.

Muy señores nuestros:

Rec'd

Por medio de la presente les autorizamos a debitar nuestra cuenta corriente [redacted] la cantidad de US$50,000.00 para que se sirvan efectuar la siguiente transferencia:

a) [redacted]

b) Para crédito de Cta. Especial U. S.
Dólares No. [redacted]

Atentamente,

[redacted]

5653

Partially Declassified/Released on 3 FEB 88
under provisions of E.O. 12356
by K. Johnson, National Security Council

UNCLASSIFIED

30 Jul 84

UNCLASSIFIED

Julio 30, 1984

0 720

[redacted]
Presente.

Muy señores nuestros:

Por medio de la presente les autorizamos a debitar nuestra cuenta corriente [redacted] la cantidad de US$50,000.00 para que se sirvan efectuar la siguiente transferencia:

a) [redacted]

b) Para crédito de Cta. Especial U.S. Dolares No. [redacted]

Atentamente,

[redacted]

Partially Declassified/Released on 12FEB88
under provisions of E.O. 12356
by K. Johnson, National Security Council

5654

all document.

UNCLASSIFIED

Partially Declassified/Released on 3FEB88
under provisions of E.O. 12356
by K. Johnson, National Security Council

UNCLASSIFIED

10 Oct 84

0 694

Octubre 10, 1984

[redacted]
Presente.

Muy señores nuestros:

Por medio de la presente les autorizamos a debitar nuestra cuenta corriente [redacted] la cantidad de US$25,000.00 para que se sirvan efectuar la siguiente transferencia:

a) [redacted]

b) Para crédito de
Cta. Especial U.S. Dólares No. [redacted]

Atentamente,

[redacted]

5655

Partially Declassified/Released on 3 FEB 88
under provisions of E.O. 12356
by K. Johnson, National Security Council

UNCLASSIFIED

18 Oct 84

UNCLASSIFIED

0 690

Octubre 18, 1984

[redacted]
Presente.

Muy señores nuestros:

al

Por medio de la presente les autorizamos a debitar nuestra cuenta corriente [redacted] la cantidad de US$25,000.00 para que se sirvan efectuar la siguiente transferencia:

a) [redacted]

b) Para crédito de
Cuenta Especial U.S. Dólares # [redacted]

Atentamente,

[redacted]

5464

Partially Declassified/Released on 3 Feb 88
under provisions of E.O. 12356
by K. Johnson, National Security Council

UNCLASSIFIED

5 NOV 84

UNCLASSIFIED

0 683

Noviembre 5, 1984

[redacted]
Presente.

Muy señores nuestros:

Por medio de la presente les autorizamos a debitar nuestra cuenta corriente [redacted] la cantidad de US$65,000.00 para que se sirvan efectuar la siguiente transferencia:

a) [redacted]

b) Para crédito de:
Cuenta Especial U.S. Dólares No. [redacted]

Atentamente,

[redacted]

5657

Partially Declassified/Released on 3 FEB 88
under provisions of E.O. 12356
by K. Johnson, National Security Council

UNCLASSIFIED

19 NOV 84

UNCLASSIFIED

0 675

Noviembre 19, 1984

[redacted]
Presente.

Estimados señores:

Por medio de la presente autorizamos a ustedes debitar nuestra cuenta corriente [redacted] la cantidad de ---- US$35,000.00------ para transferirse a:

1) Banco : [redacted]

2) Para pagarse a: Cuenta Especial U.S. Dólares

3) Cuenta número : [redacted]

Atentamente,

[redacted]

5658

Partially Declassified/Released on 31FEB88
under provisions of E.O. 12356
by K. Johnson, National Security Council

UNCLASSIFIED

6 Dec 84

UNCLASSIFIED

0 665

Diciembre 6, 1984

[redacted]
Presente.

Estimados señores:

Por medio de la presente autorizamos a ustedes debitar nuestra cuenta corriente [redacted] la cantidad de ---- US$ 75,000.00 para transferirse a:

1) Banco : [redacted]

2) Para pagarse a: Cuenta Especial

3) Cuenta número : [redacted]

[redacted]

5659

Partially Declassified/Released on 5 Feb 88
under provisions of E.O. 12356
by K. Johnson, National Security Council

UNCLASSIFIED

4 JAN 85

0 564

Enero 4, 1985

[redacted]
Presente.

Estimados señores:

Por medio de la presente autorizamos a ustedes debitar nuestra cuenta corriente [redacted] la cantidad de ---- US$ 35,000.00 para transferirse a:

1) Banco : [redacted]

2) Para pagarse a:

3) Cuenta número : Cuenta Especial No. [redacted]

Atentamente,

[redacted]

5660

Partially Declassified/Released on 3 FEB 88
under provisions of E.O. 12356
by K. Johnson, National Security Council

UNCLASSIFIED

8 Feb 85

Febrero 8, 1985

0 537

[redacted]
Presente.

Estimados señores:

Por medio de la presente autorizamos a ustedes debitar nuestra cuenta corriente [redacted] la cantidad de ---- US$35,000.00 para transferirse a:

1) Banco : [redacted]

2) Para pagarse a: Cuenta Especial

3) Cuenta número : No. [redacted]

Atentamente,

[redacted]

5661

Partially Declassified/Released on 3 FEB 88
under provisions of E.O. 12356
by K. Johnson, National Security Council

UNCLASSIFIED

28 Feb85

UNCLASSIFIED

Febrero 28, 1985

0 519

[redacted]
Presente.

Estimados señores:

Por medio de la presente autorizamos a ustedes debitar nuestra cuenta corriente [redacted] la cantidad de ---- US$ 35,000.00 para transferirse a:

1) Banco : [redacted]

2) Para pagarse a:

3) Cuenta número : Cuenta Especial [redacted]

Atentamente,

[redacted]

5662

Partially Declassified/Released on 3Feb88
under provisions of E.O. 12356
by K. Johnson, National Security Council

UNCLASSIFIED

26 MAR 85

UNCLASSIFIED

Marzo 26, 1985

0 494

[redacted]
Presente.

Estimados señores:

Por medio de la presente autorizamos a ustedes debitar nuestra cuenta corriente [redacted] la cantidad de ---- US$35,000.00-------para transferirse a:

1) Banco : [redacted]

2) Para pagarse a: Cuenta Especial No. [redacted]

3) Cuenta número :

Atentamente,

[redacted]

5663

Partially Declassified/Released on 3 FEB 88
under provisions of E.O. 12356
by K. Johnson, National Security Council

UNCLASSIFIED

26 APR 85 4/

UNCLASSIFIED

0 451

Abril 26, 1995

[redacted]
Presente.

Estimados señores:

Por medio de la presente autorizamos a ustedes debitar nuestra cuenta corriente [redacted] la cantidad de ---- US$ 35,000.00-------- para transferirse a:

1) Banco : [redacted]

2) Para pagarse a: [redacted]

3) Cuenta número : Cta. Especial No. [redacted]

Atentamente,

[redacted]

5664

Partially Declassified/Released on 3 FEB 88
under provisions of E.O. 12356
by K. Johnson, National Security Council

UNCLASSIFIED

21 MAY 85

UNCLASSIFIED

Mayo 21, 1985 0 428

[redacted]
Presente.

Estimados señores:

Por medio de la presente autorizamos a ustedes debitar nuestra cuenta corriente [redacted] la cantidad de ----US$25,000.00-------para transferirse a:

1) Banco : [redacted]

2) Para pagarse a: [redacted]

3) Cuenta número : Cta. Dólares [redacted]

Atentamente,

[redacted]

5665

Partially Declassified/Released on 3FEB88
under provisions of E.O. 12356
by K. Johnson, National Security Council

UNCLASSIFIED

3 Jul 85

UNCLASSIFIED

0 578

Julio 3, 1985

[redacted]
Presente.

Estimados señores:

Por medio de la presente autorizamos a ustedes debitar nuestra cuenta corriente [redacted] la cantidad de ---- US$ 25,000.00------para transferirse a:

1) Banco : [redacted]
for further credit to

2) Para pagarse a: [redacted]

3) Cuenta número : Cuenta Especial [redacted]

Atentamente,

[redacted]

5666

Partially Declassified/Released on 3 FEB 88
under provisions of E.O. 12356
by K. Johnson, National Security Council

UNCLASSIFIED

7 JUN 85

E X 0250

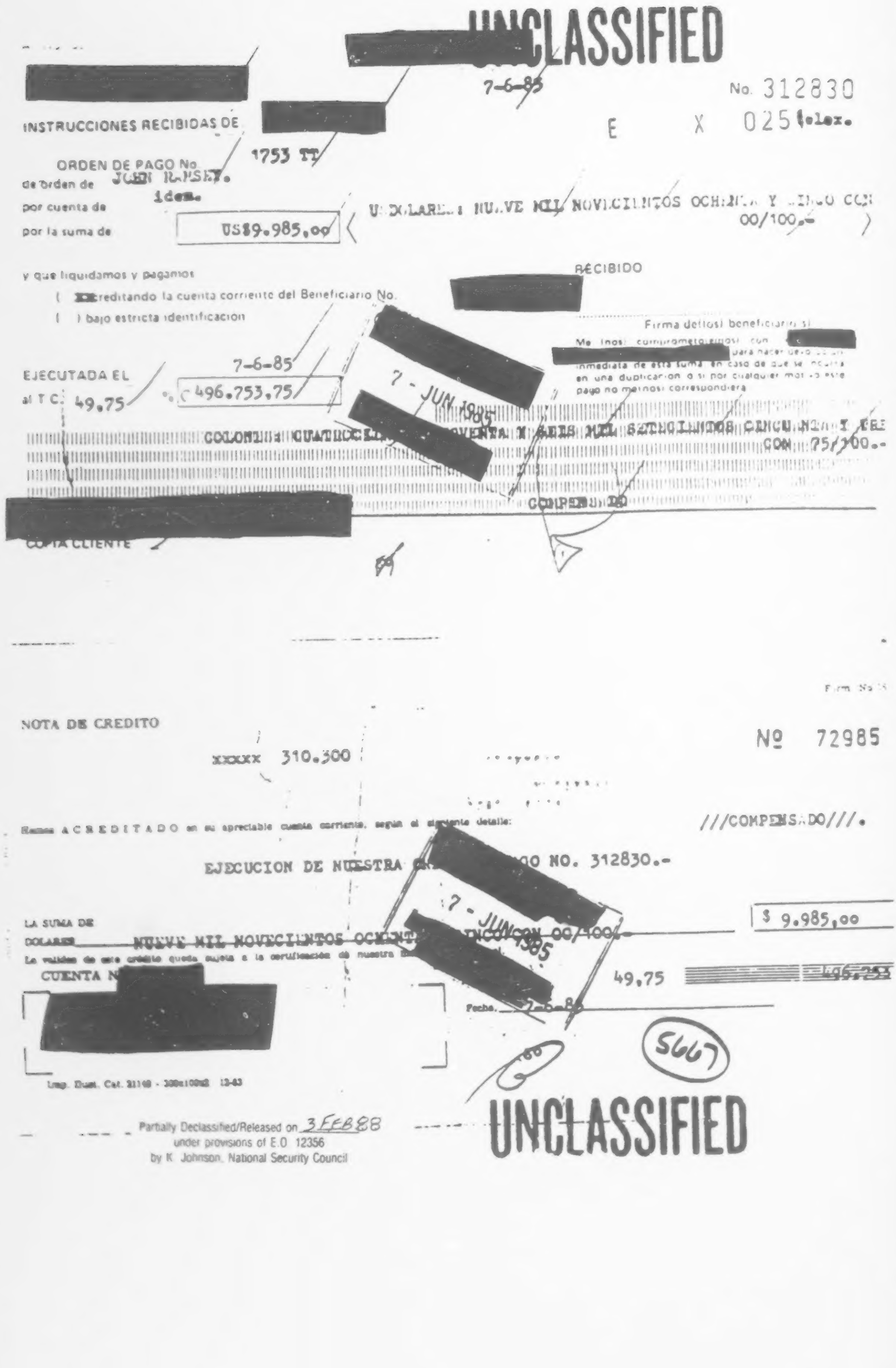
[illegible]

5667

Partially Declassified/Released on 3 FEB 88
under provisions of E.O. 12356
by K. Johnson, National Security Council

UNCLASSIFIED

Rubalc 2
27 April [illegible]



[redacted] CLASSIFIED

[redacted]

7-6-85

No. 312830

INSTRUCCIONES RECIBIDAS DE [redacted]

E X 025 Telex.

ORDEN DE PAGO No. 1753 TT

de orden de JOHN RAMSEY.

por cuenta de idem.

por la suma de US$9.985,00 ⟨ U. DOLARES: NUEVE MIL NOVECIENTOS OCHENTA Y CINCO CON 00/100.- ⟩

y que liquidamos y pagamos

(XX) acreditando la cuenta corriente del Beneficiario No.

( ) bajo estricta identificacion

RECIBIDO

[redacted]

Firma de(los) beneficiario(s)

Me (nos) comprometo(emos) con [redacted] [redacted] para hacer devolucion inmediata de esta suma en caso de que se incurra en una duplicacion o si por cualquier motivo este pago no me(nos) correspondiera

EJECUTADA EL 7-6-85

al T.C. 49.75 ¢ 496.753.75

[redacted]

7 - JUN 1985

[redacted]

COLONES: CUATROCIE[redacted]OVENTA Y SEIS MIL SETECIENTOS CINCUENTA Y TRES CON 75/100.-

COMPENSADO

[redacted]

COPIA CLIENTE

Form. No 15

NOTA DE CREDITO

Nº 72985

xxxxx 310.300

///COMPENSADO///.

Hemos A C R E D I T A D O en su apreciable cuenta corriente, según el siguiente detalle:

EJECUCION DE NUESTRA [redacted]O NO. 312830.-

LA SUMA DE

DOLARES NUEVE MIL NOVECIENTOS OCHENT[redacted] CON 00/100.-

$ 9.985,00

La validez de este crédito queda sujeta a la certificación de nuestra [redacted]

7 - JUN 1985

[redacted]

49,75 ¢496,753

CUENTA N [redacted]

Fecha 7-6-85

Imp. Nal. Cat. 31148 - 300x100x2 12-83

5667

UNCLASSIFIED

Partially Declassified/Released on 3 FEB 88
under provisions of E.O. 12356
by K. Johnson, National Security Council

[redacted] [redacted] UNCLASSIFIED

16-7-85

No. 313439

telex.

INSTRUCCIONES RECIBIDAS DE [redacted]

ORDEN DE PAGO No. TT-2049.-

de orden de INT'L BUSINESS COMMUNICATIONS.

por cuenta de idem.

por la suma de US$29.970,00 ⟨USDOLARES: VEINTINUEVE MIL, NOVECIENTOS SETENTA CON 00/100⟩

E X 0252

y que liquidamos y pagamos

XXX acreditando la cuenta corriente del Beneficiario No. [redacted]

( ) bajo estricta identificacion

[redacted]

EJECUTADA EL 17-7-85

al T.C. 50,35 ₡1.508.989.50-/

RECIBIDO

Firma del(os) beneficiario(s)

Me (nos) comprometo(emos) con [redacted] [redacted] para hacer devolucion inmediata de esta suma en caso de que se incurra en una duplicacion o si por cualquier motivo este pago no me(nos) correspondiera

COLONES: UN MILLON QUINIENTOS OCHO MIL NOVECIENTOS OCHENTA Y NUEVE CON 50/100

[redacted]

COMPENSADO

COPIA CLIENTE

/85

Form. No [illegible]

NOTA DE CREDITO

Nº 73604

XXX 310.300

Hemos ACREDITADO en su apreciable cuenta corriente, segun el siguiente detalle:

EJECUCION DE NUESTRA ORDEN DE PAGO NO. 313439./

LA SUMA DE DOLARES VEINTINUEVEMIL NOVECIENTOS [redacted] CON 00/100 $ 29.970,00

La validez de este credito queda sujeta a la certificacion de nuestro [illegible]

CU [redacted]

SAN JOSE 17 JUL [illegible]

50,35 ₡1.508.989,5

[redacted]

[redacted]

Fecha 17-7-85

5667

UNCLASSIFIED

SAN JOSE, COSTA RICA

Imp. Ilust. Cat. 21148 · 300x100x3 · 13-83

Partially Declassified/Released on 3 FEB 88
under provisions of E.O. 12356
by K. Johnson, National Security Council

[redacted] [redacted] UNCLASSIFIED

9-9-85

No 314209

INSTRUCCIONES RECIBIDAS D[redacted]

TELEX

E 0253

ORDEN DE PAGO No. TT-2384

de orden de INTL BUSINESS COMMUNICATIONS

por cuenta de IDEM

por la suma de $29.970.oo DOLARES:VEINTINUEVE MIL NOVECIENTOS SETENTA CON CC/100-x-x-

y que liquidamos y pagamos

(xxx) acreditando la cuenta corriente del Benefici[redacted]

( ) bajo estricta identificacion

RECIBIDO

Firma del(os) beneficiario(s)

Me (nos) [illegible] con [redacted] [redacted] para hacer [illegible] inmediata de esta suma en caso de que se incurra en una duplicacion o si por cualquier motivo este pago no me(nos) correspondiera

EJECUTADA EL 9-9-85

al T.C. 51.45 C1.541.956.50

collnes:un millon quin[redacted]cuarenta [redacted] mil novecientos/cincuenta y seis con 50/100-x

[redacted] compensado

COPIA CLIENTE

mcg

Forma No [illegible]

NOTA DE CREDITO

Nº 73297

xxxx 310.300

Hemos A C R E D I T A D O en su apreciable cuenta corriente, según el siguiente detalle:

EJECUCION DE OP N#314209, SEGUN DETALLE ADJUNTO 000041

LA SUMA DE DOLARES VEINTINUEVE MIL NOVECI[redacted]TENTA CON 00/100-x-x- $29.970.00

La validez de este crédito queda sujeta a la [redacted]ficación de nue[redacted] control.

CUENTA N[redacted]

[redacted]

9 SET 1985

51.45 1.541.956.5

Fecha 9-9-85

mcg

5667

Ago + Sept. '85

UNCLASSIFIED

Imp. Ilust. Cat. 31140 - 300x100x3 - 12-83

Partially Declassified/Released on 3 FEB 88
under provisions of E.O. 12356
by K. Johnson, National Security Council

[redacted] [redacted] UNCLASSIFIED

22-10-85

No 314858

INSTRUCCIONES RECIBIDAS DE CREDIT SUISSE - GENEVE.-

TELEX.-

ORDEN DE PAGO No. ZA 1021-9248-043/6.-

de orden de LAKE RESOURCES INC.-

E 0254

por cuenta de IDEM.-

por la suma de $15.000,00 (DOLARES: QUINCE MIL CON 00/100.-)

y que liquidamos y pagamos

(XX) acreditando la cuenta corriente del Beneficiario No. [redacted]

( ) bajo estricta identificacion

RECIBIDO

Firma de(los) beneficiario(s)

22 OCT 1985 [redacted]

Me (nos) comprometo(emos) con [redacted] para hacer devolucion inmediata de esta suma en caso de que se incurra en una duplicacion o si por cualquier motivo este pago no me(nos) correspondiera

EJECUTADA EL 22-10-85

al T.C. 52,20 ₡783.000,00.- [redacted]

COLONES: SETECIENTOS OCHENTA Y TRES MIL CON 00/100.-

[redacted] COMPENSADO.-

COPIA CLIENTE

Carlos

Form. No.

NOTA DE CREDITO

Nº 76156

XXXXX 310300

Hemos ACREDITADO en su apreciable cuenta corriente, según el siguiente detalle:

EJECUCION DE NUESTRA O.P. 314858 A SU FAVOR.-

LA SUMA DE DOLARES QUINCE MIL CON 00/100.- [redacted]

$15.000,00.-

La validez de este crédito queda sujeta a la certificación

CUENTA Nº [redacted]

52,20 783.000

[redacted]

22 OCT 1985

Fecha 22-10-85.-

Rafael Angel [redacted]

Carlos

(5667)

OCT. '85

Imp. Dust. Cat. 21140 - 300x100x3 - 12-83

Partially Declassified/Released on 3 FEB 88
under provisions of E.O. 12356
by K. Johnson, National Security Council

UNCLASSIFIED

[redacted] [redacted] UNCLASSIFIED

15-11-85

No. 315198

INSTRUCCIONES RECIBIDAS DE: CREDIT SUISSE - GENEVE.- E TELEX.- 0255

RDEN DE PAGO No. TELEX.-
de orden de LAKE RESOURCES INC.-
por cuenta de IDEM.-
por la suma de $15.000,00 ⟨ DOLARES: QUINCE MIL CON 00/100.- ⟩

[redacted]
15 NOV 1985
[redacted]

y que liquidamos y pagamos
(XX) acreditando la cuenta corriente del Beneficiario N [redacted]
( ) bajo estricta identificación

REC [redacted]

Firma de(los) beneficiario(s)

Me (nos) comprometo(emos) con [redacted] [redacted] para hacer devolución inmediata de esta suma en caso de que se incurra en una duplicación o si por cualquier motivo este pago no me(nos) correspondiera

EJECUTADA EL 15-11-85
al T.C. 52,45 % ₡ 786.750,00

COLONES: SETECIENTOS OCHENTA Y SEIS MIL SETECIENTOS CINCUENTA 00/100

[redacted] COMPENSADO.-

COPIA CLIENTE

Forma No

NOTA DE CREDITO

XXXXX 310300

Nº 76294

SAN JOSE, COSTA RICA

Hemos A C R E D I T A D O en su apreciable cuenta corriente, según el siguiente detalle:

EJECUCION DE NUESTRA O.P. 315198 A SU FAVOR.-

LA SUMA DE DOLARES QUINCE MIL CON 00/100 $ 15.000,00.-

La validez de e[redacted] sujeta a la certificación de nuestra máquina de control.

CUENTA [redacted]

[redacted]
15 NOV 1985
[redacted]

52,45 786.75

Fecha ...85.-

5667

85

[redacted]

Imp. Unid. Cat. 21148 - 300x100m2 - 13-83

Partially Declassified/Released on 3 FEB 88
under provisions of E.O. 12356
by K. Johnson, National Security Council

UNCLASSIFIED

[redacted] UNCLASSIFIED

A favor de
[redacted]

08-1-86

No. 315973

INSTRUCCIONES RECIBIDAS DE CREDIT SUISSE GENEVE.

E X

telex. 0256

ORDEN DE PAGO No. ZA 11189250059.

de orden de LAKE RESOURCES INC.

por cuenta de idem.

por la suma de US$14,981,25 ⟨ U$DOLARES: CATORCE MIL NOVECIENTOS OCHENTA Y UNO CON 25/100-x-x-x- ⟩

y que liquidamos y pagamos

☒ acreditando la cuenta corriente del Beneficiario No. [redacted]

( ) bajo estricta identificacion

RECIBIDO

Firma de(los) beneficiario(s)

[redacted] comprometiéndo(nos) con [redacted] para hacer devolución inmediata de esta suma en caso de que se incurra en una duplicacion o si por cualquier motivo este pago no me(nos) correspondiera.

EJECUTADA EL 9-1-86

al T.C. 53.45 % ₡ 800.747,80

colones ochocientos mil setecientos [redacted] con 80/100-x-x-

9 ENE 1986

[redacted]

COPIA CLIENTE

Form. No X

NOTA DE CREDITO

Nº 76689

xxxx 310.300

SAN JOSE, COSTA RICA

Hemos A C R E D I T A D O en su apreciable cuenta corriente, según el siguiente detalle:

EJECUCION DE OP Nº315973, SEGUN DETALLE ADJUNTO

LA SUMA DE DOLARES CATORCE MIL NOVECIENTOS OCHENTA Y UNO CON 25/100-x-x- $ 14,981.25

La validez de este crédito queda sujeta a la certificación de nuestra máquina de [redacted]

CUENTA N [redacted]

[redacted]

Fecha. 9 ENE 1986

[redacted]

5667

Imp. Nac. Cat. 31148

Partially Declassified/Released on 3 FEB 88
under provisions of E.O. 12356
by K. Johnson, National Security Council

UNCLASSIFIED

[redacted] [redacted] UNCLASSIFIED

16-1-86

No. 316104

INSTRUCCIONES RECIBIDAS DE: [redacted]

telex.

20003188./ E X 0257

ORDEN DE PAGO No. "ONE OF OUR CLIENTS"

de orden de idem.

por cuenta de

por la suma de US$10.000,00 USDOLARES: DIEZ MIL CON 00/100

y que liquidamos y pagamos

(XX) acreditando la cuenta corriente del Beneficiario No.

( ) bajo estricta identificación

RECIBIDO [redacted]

Firma de(los) beneficiario(s)

Me (nos) comprometo(emos) con [redacted] [redacted] para hacer devolución inmediata de esta suma en caso de que se incurra en una duplicación o si por cualquier motivo este pago no me(nos) correspondiera

EJECUTADA EL 17-1-86

al T.C. 53,45 % C 534.500,00

COLONES: QUINIENTOS T [redacted] QUINIENTOS CON 00/100

17 ENE 1986

[redacted] [redacted]

COPIA CLIENTE

Form No.

NOTA DE CREDITO

Nº 7697

ML

SAN JOSE, COSTA RICA

Hemos A C R E D I T A D O en su apreciable cuenta corriente, según el siguiente detalle:

EJECUCION DE NUESTRA OP 316104./-

[redacted]

LA SUMA DE DOLARES DIEZ MIL CON 00/100 $ 10.000,00

La validez de este crédito queda sujeta a la verificación de nuestra máquina de control.

CUENTA Nº [redacted]

17 ENE 1986 53,45

[redacted]

[redacted]

5667

Enero 1986

Imp. Dunt. Col. 31140 · 300m 100x3 · 13-83

Partially Declassified/Released on 3 FEB 88
under provisions of E.O. 12356
by K. Johnson, National Security Council

UNCLASSIFIED

A favor de [redacted] [redacted]

19-2-86/ [redacted]

No. 316601
telex.

INSTRUCCIONES RECIBIDAS DE:

E 0258

ORDEN DE PAGO No. ———
de orden de el mismo
por cuenta de idem.
por la suma de U$9.981,50 ⟨ DOLARES: NUEVE MIL NOVECIENTOS OCHENTA Y UNO CON 50/100 ⟩

y que liquidamos y pagamos

(☒) acreditando la cuenta corriente del Beneficiario [redacted]
( ) bajo estricta identificacion

RECIBIDO

Firma de(los) beneficiario(s) [redacted]

Me (nos) comprometo(emos) con [redacted] para hacer devolucion inmediata de esta suma, en caso de que se incurra en una duplicacion o si por cualquier motivo este pago no me(nos) correspondiera

19 FEB 1986

EJECUTADA EL 19-2-86
al T.C. 53,70/ % C 536.006,5 [redacted]

COLONES: QUINIENTOS TREINTA Y SEIS MIL SEIS CON 55/100

[redacted]

compensado/

COPIA CLIENTE

Form No

NOTA DE CREDITO

Nº 77493

ML

Hemos A C R E D I T A D O en su apreciable cuenta corriente, segun el siguiente detalle:

EJECUCION DE NUESTRA OP 316601./

LA SUMA DE $ 9.981,50-
DOLARES NUEVE MIL NOVECIENTOS OCHENTA Y UNO CON 50/100
La validez de este credito queda sujeta a la certificacion [redacted]

CUENTA Nº [redacted]

[redacted]

19 FEB 1986

[redacted]

53,70
Fecha 19-2-86

5667

FEBRERO 1986

Imp. Dept. Cat. 11148 · 300x100x3 · 12-86

Partially Declassified/Released on 3FEB88
under provisions of E.O. 12356
by K. Johnson, National Security Council

UNCLASSIFIED

[redacted] **UNCLASSIFIED**

A favor de

[redacted]

21-3-86

No. 317038

INSTRUCCIONES RECIBIDAS DE: CREDIT SUISSE GENEVE. telex.

E 0259

ZA0318924807 96.

ORDEN DE PAGO No. el mismo

de orden de idem.

por cuenta de

por la suma de US$10.000,00 ⟨ USDOLARES: DIEZ MIL CON 00/100 ⟩

y que liquidamos y pagamos

(XX) acreditando la cuenta corriente del Beneficiario No. [redacted]

( ) bajo estricta identificación

RECIBIDO

....

Firma de(los) beneficiario(s)

Me (nos) comprometo(emos) con [redacted] [redacted] para hacer [illegible] inmediata de esta suma, en caso de que se incurra en una duplicacion o si por cualquier motivo este pago no me(nos) correspondiera

21-3-86

EJECUTADA EL [redacted]

al T.C. 54,20 % ¢ 542.000,00

COLONES: QUINIENTOS CUARENTA Y DOS MIL CON 00/100

[redacted]

THE CHASE MANHATTAN BANK PAN.11351 [redacted] ado

COPIA CLIENTE

NOTA DE CREDITO

Nº 77522

ML

SAN JOSE, COSTA RICA

Hemos A C R E D I T A D O en su apreciable cuenta corriente, según el siguiente detalle.

EJECUCION DE NUESTRA OP 317038

[redacted]

LA SUMA DE DOLARES DIEZ MIL CON 00/100 $ 10,000,00

21 MAR 1986

La validez de este crédito queda sujeta a la certificación de nuestra máquina de control.

CUENTA Nº [redacted]

[redacted]

[redacted]

54,20

21-3-86

5667

MARZO 1986

Imp. Nac. Cat. 21140 · 300x100x3 · 11-83

Partially Declassified/Released on 3 FEB 88
under provisions of E.O. 12356
by K. Johnson, National Security Council

UNCLASSIFIED

[redacted] [redacted] UNCLASSIFIED

01-5-86

No. 317736

INSTRUCCIONES RECIBIDAS DE: CREDIT SUISSE GENEVE. telex.

ORDEN DE PAGO No. ZA043092470636./ E 0260

de orden de el mismo

por cuenta de idem.

por la suma de US$10.000,00 ⟨ USDOLARES: DIEZ MIL CON 00/100 ⟩

y que liquidamos y pagamos

(X) acreditando la cuenta corriente del Beneficiario No

( ) bajo estricta identificacion

RECIBIDO

[redacted]

Firma de(los) beneficiario(s)

Me (nos) comprometo(emos) con el [redacted] [redacted] para hacer devolucion inmediata de esta suma en caso de que se incurra en una duplicacion o si por cualquier motivo este pago no me(nos) correspondiera

EJECUTADA EL 01-5-86 02 MAYO 1986

al T.C. 54,75 % ₡ 547.500,00

COLON S: QUINIENTOS CUARENTA Y [redacted] NIENTOS CON 00/100

[redacted]

MAYO 1986
COMPENSADO

[redacted]

COPIA CLIENTE

NOTA DE CREDITO

Nº 8066

ML

SAN JOSE, COSTA RICA

Hemos A C R E D I T A D O en su apreciable cuenta corriente, según el siguiente detalle:

EJECUCION DE NUESTRA OP 317736./

LA SUMA DE $ 10.000,00

DOLARES DIEZ MIL CON 00/100

La validez de este crédito queda sujeta a la certificación de nuestra máquina [redacted]

CUENTA Nº [redacted]

54.75

547.

Fecha 2-MAY 1986

02 MAYO 1986

[redacted]

[redacted]

5667

ABRIL 10

Imp. Ilust. Cal 31148 · 300x100x2 · 12 83

Partially Declassified/Released on 3 FEB 88
under provisions of E.O. 12356
by K. Johnson, National Security Council

UNCLASSIFIED

[redacted] UNCLASSIFIED

[redacted]

09-6-86

No. 318279

INSTRUCCIONES RECIBIDAS DE: CREDIT SUISSE GENEVE E telex. 0261

ZA 060492481596./

ORDEN DE PAGO No. el mismo

de orden de idem.

por cuenta de

por la suma de US$10.000,00 〈 USDOLARES: DIEZ MIL CON 00/100 〉

y que liquidamos y pagamos

(X) acreditando la cuenta corriente del Beneficiario No.

( ) bajo estricta identificacion

RECIBIDO

[redacted]

Firma de(los) beneficiario(s)

Me (nos) comprometo(emos) con el [redacted] [redacted] para hacer devolucion inmediata de esta suma en caso de que se incurra en una duplicacion o si por cualquier motivo este pago no me(nos) correspondiera

EJECUTADA EL 09-6-86

al T.C. 55,10 % ₡ 551.000,00 [redacted]

9 - JUN 1986

COLONES: QUINIENTOS CINCUENTA Y UN MIL CON 00/100

[redacted]

COMPENSADO

COPIA CLIENTE

Form. N.° 3

NOTA DE CREDITO

Nº 79127

Hemos A C R E D I T A D O en su apreciable cuenta corriente, según el siguiente detalle:

EJECUCION DE NUESTRA OP 318279./

LA SUMA DE DOLARES DIEZ MIL CON 00/100 [redacted] $ 10.000,00

La validez de este credito queda sujeta a la cert[illegible] de control.

CUENTA N° [redacted]

55,10 551,00

[redacted]

9 - JUN 1986

[redacted]

09-6-86

5667

Mayo 1986

SAN JOSE, COSTA RICA

Imp. Nal. Cat. 31168 · 300m100b2 · 12-83

Partially D[illegible]/Released on 3 Fe[illegible]
under provisions of E.O. 12356
by K. Johnson, National Security Council

UNCLASSIFIED

A favor de [redacted] [redacted]

03-7-86 /

No. 318733

INSTRUCCIONES RECIBIDAS DE: [redacted]

telex.

E 0262

ORDEN DE PAGO No. el mismo

de orden de idem.

por cuenta de

por la suma de US$9.981,50 / (US DOLARES: NUEVE MIL NOVECIENTOS OCHENTA Y UNO CON 50/100)

y que liquidamos y pagamos

(XX) acreditando la cuenta corriente del Beneficiario No. [redacted]

( ) bajo estricta identificacion

RECIBIDO

Firma de(los) beneficiario(s)

Me (nos) comprometo(emos) con el [redacted] [redacted] para hacer devolucion inmediata de esta suma en caso de que se incurra en una duplicacion o si por cualquier motivo este pago no me(nos) correspondiera

EJECUTADA EL 04-7-86

4 - JUL 1986

al T.C. 55,70 / ¢ 555.969,55 / [redacted]

COLONES: QUINIENTOS CINCUENTA Y CINCO MIL NOVECIENTOS SESENTA Y NUEVE C 55/100

[redacted]

COMPENSADO /

COPIA CLIENTE

NOTA DE CREDITO

Nº 7967

XXXX 3060-00

SAN JOSE, COSTA RICA

Hemos A C R E D I T A D O en su apreciable cuenta corriente, según el siguiente detalle

EJECUCIONDE NUESTRA OP 318733./

LA SUMA DE

DOLARES NUEVE MIL NOVECIENTOS OCHENTA Y UNO CON 50/100

$ 9.981,50

La validez de este crédito queda sujeta a la certi[redacted]rol.

CUENTA Nº [redacted]

55,70

555.9

[redacted]

4 - JUL 1986 Fecha 04-7-86

[redacted]

5667

JUNIO 1986

Imp. Dist. Cat. 31148 · [illegible] · 13 43

Partially Declassified/Released on 3 FEB 88
under provisions of E.O. 12356
by K. Johnson, National Security Council

UNCLASSIFIED

[redacted] [redacted] UNCLASSIFIED

25-8-86

No. 319559

INSTRUCCIONES RECIBIDAS DE: CREDIT SUISSE GENEVE TELEX

ORDEN DE PAGO No. ZA 0822-9250-137/6 E X 0263

de orden de EL MISMO

por cuenta de IDEM

por la suma de $20,000.00 DOLARES:VEINTE MIL CON 00/100-x-x-

y que liquidamos y pagamos

(XX) acreditando la cuenta corriente del Beneficiario N° [redacted]

( ) bajo estricta identificación

RECIBIDO

Firma de(los) beneficiario(s)

Me (nos) comprometo(emos) con el [redacted] [redacted] para hacer devolución inmediata de esta suma en caso de que se incurra en una duplicación o si por cualquier motivo este pago no me(nos) correspondiera

EJECUTADA EL 25-8-86

al T.C. 56.30 % ¢ 1,126.000.00

colones;un millon ciento veintiseis mil con 00/100-x-x-

[redacted] compensado

COPIA CLIENTE

NOTA DE CREDITO

Nº 79532

xxxxx 306000

Hemos A C R E D I T A D O en su apreciable cuenta corriente, según el siguiente detalle

EJECUCION DE OP N°319559

[redacted]

25 AGO 1986

[redacted]

LA SUMA DE DOLARES VEINTE MIL CON 00/100-x-x- $ 20,000.00

La validez de este crédito queda sujeto a la certificación de nu[redacted]

CUENTA N°[redacted]

1,126.0

[redacted]

Fecha 25-8-86

MEG

5667

Julio + Agosto

Imp. Ilust. Col. 31149 · 3000x100x3 · 12 83

Partially Declassified/Released on 3 FEB 88
under provisions of E.O. 12356
by K. Johnson, National Security Council

UNCLASSIFIED

A favor de [redacted]

08-9-86

No. 319802

INSTRUCCIONES RECIBIDAS DE: CREDIT SUISSE GENEVE telex.

ORDEN DE PAGO No. ZA090592501316./ F X 0264

de orden de el mismo

por cuenta de idem.

por la suma de US$10.000,00 ⟨ USDOLARES: DIEZ MIL CON 00/100 ⟩

y que liquidamos y pagamos

(XX) acreditando la cuenta corriente del Beneficiario No. [redacted]

( ) bajo estricta identificacion

RECIBIDO

Firma del(os) beneficiario(s)

Me (nos) comprometo(emos) con [redacted] [redacted] para hacer devolución inmediata de esta suma en caso de que se incurra en una duplicación o si por cualquier motivo este pago no me (nos) correspondiera

EJECUTADA EL 9-9-86

9 - SET 1986

al T.C. 56.65 ₡ 566.500.00

colones;quinientos sesent [redacted] entos con 00/100-x-x-x-

[redacted] compensado

COPIA CLIENTE

meg

NOTA DE CREDITO

Nº 79592

xxxx 306000

Hemos A C R E D I T A D O en su apreciable cuenta corriente, según el siguiente detalle

Partially Declassified/Released on 3 Feb 88
under provisions of E.O. 12356
by K. Johnson, National Security Council

EJECUCION DE OP N#319802

LA SUMA DE DOLARES DIEZ MIL CON 00/100-x-x-x- $10.000.00

La validez de este credito queda sujeta a la [redacted]

CUENTA N [redacted]

56.65

566.

[redacted]

9 - SET 1986

Fecha 9-9-86

[redacted]

MEG

5667

Setiembre '86

Imp. Dusi. Cat. 1146 - 10M-10M - 12-85

UNCLASSIFIED

avor de [redacted] [redacted]

07-10-86

No. 320273

STRUCCIONES RECIBIDAS DE CREDIT SUISSE GENEVE telex.

ZA1003924701164/

EN DE PAGO No. el mismo

orden de idem.

cuenta de

la suma de US$10.000,oo (USDOLARES: DIEZ MIL CON 00/100)

E X 0265

e liquidamos y pagamos

(X acreditando la cuenta corriente del Bene [redacted]

( ) bajo estricta identificación

RECIBIDO

[redacted]

Firma de(los) beneficiario(s)

Me (nos) comprometo(emos) con el [redacted] [redacted] para hacer devolución inmediata de esta suma en caso de que se incurra en una duplicación o si por cualquier motivo este pago no me(nos) correspondiera

08 OCT 1986

CUTADA EL 07-10-86

C. 56,90 ¢ 569.000,oo

[redacted]

8 - OCT 1986

[redacted]

COLONES: QUINIENTOS SESENTA Y NUEVE MIL CON 00/100

[redacted] COMPENSADO

PIA CLIENTE

Form. Nº 06-31-3

NOTA DE CREDITO Nº 18810 CERTIFICACION

XXXXX 3060-00

Hemos ACREDITADO en su apreciable cuenta corriente, según el siguiente detalle:

EJECUCION DE [redacted]

5667

LA SUMA DE DOLARES DIEZ MIL CON 00/100 $ 10.000,oo

La validez de este crédito queda sujeta a la certificación de nuestra máquina de

CUENTA Nº [redacted]

[redacted]

8 - OCT 1986

[redacted]

OCT. 1986

56,90

569.000,oo

Fecha 07-10-86

[redacted]

OCTUBRE '86

Partially Declassified/Released on 3 FEB 88
under provisions of E.O. 12356
by K. Johnson, National Security Council

Imp. Gust. Cia. Ltda.

UNCLASSIFIED

a favor de [redacted]

04-11-86 /

UNCLASSIFIED

No. 320728

INSTRUCCIONES RECIBIDAS DE: CREDIT SUISSE [redacted]

telex.

E X 0266

ORDEN DE PAGO No. ZA 110392500866./

de orden de el mismo REF: OCTUBRE 86

por cuenta de idem.

por la suma de US$10.000,00 / 〈 USDOLARES: DIEZ MIL/ CON 00/100 〉

y que liquidamos y pagamos

(☒) acreditando la cuenta corriente del Beneficiario No.

( ) bajo estricta identificacion

RECIBIDO [redacted]

Firma (s) del (os) beneficiario (s)

Me (nos) comprometo(emos) con [redacted] para hacer devolucion inmediata de esta suma en caso de que se incurra en duplicacion o si por cualquier motivo este no me(nos) correspondiera

EJECUTADA EL 05-11-86

al T.C. 57,20/ % ₡ 572.000,00 /

[redacted]

COLONES: QUINIENTOS SETENTA Y DOS MIL, CON 00/100 /

[redacted]

[redacted]

COPIA CLIENTE

Form. Nº 06-21 2

NOTA DE CREDITO

Nº 18958

CERTIFICACION

XXXXX 3060-00

Partially Declassified/Released on 3 FEB 88
under provisions of E.O. 12356
by K. Johnson, National Security Council

Hemos ACREDITADO en su apreciable cuenta corriente, según el siguiente detalle:

EJECUCION DE NUESTRA OP 320728./

566

$ 10.000,00

LA SUMA DE DOLARES DIEZ MIL con 00/100

La validez de este crédito queda sujeta a la certificación de nuestra máquina de control.

572.000,0

CUENTA Nº [redacted]

[redacted]

[redacted]

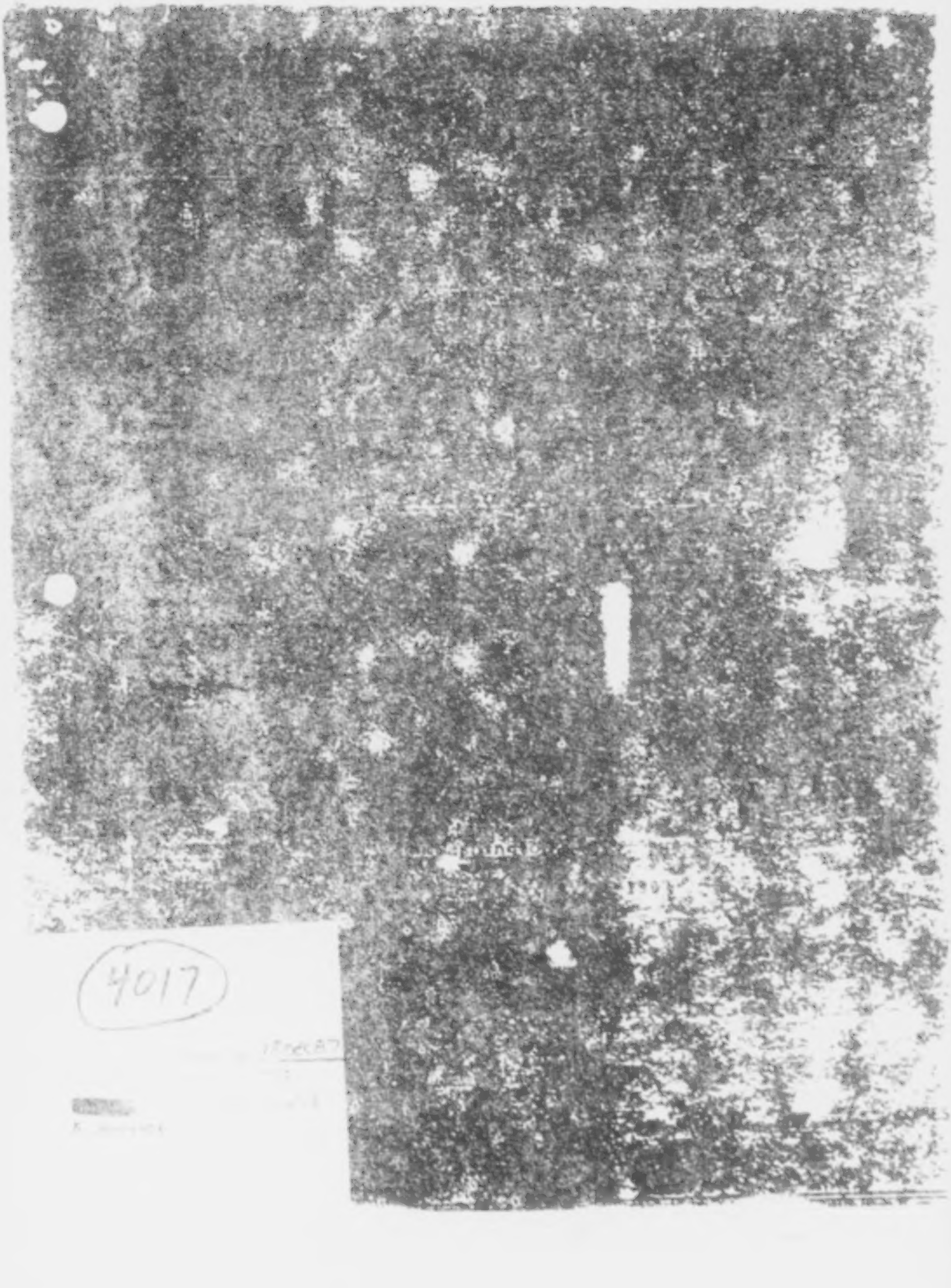
5 - NOV 1986

[redacted]

NOVIEMBRE 'E

Imp. Nal. Cat. 13181

UNCLASSIFIED



4017

UNCLASSIFIED

UNITED STATES SENATE

SELECT COMMITTEE ON

SECRET MILITARY ASSISTANCE TO

IRAN AND THE NICARAGUAN OPPOSITION

DEPOSITION OF GLENN A. ROBINETTE

Washington, D.C.

Friday, March 27, 1987

Deposition of GLENN A. ROBINETTE, called for examination by the Senate Select Committee on Secret Military Assistance to Iran and the Nicaraguan Opposition, at the Senate Hart Office Building, Room 901, at 10:30 a.m., before DAVID L. HOFFMAN, a Notary Public within and for the District of Columbia, when were present:

JOHN D. SAXON, ESQUIRE
Associate Counsel
Senate Select Committee
Hart Senate Office Building
Room SH-901
Washington, D.C. 20510
On behalf of the Committee.

MARK H. TUOHEY, III, ESQUIRE
Attorney at Law
Pierson, Ball & Dowd
1200 18th Street, N.W.
Washington, D.C. 20036

Partially Declassified/Released on 18DEC87
under provisions of E.O. 12356
by [redacted], National Security Council
K. Johnson

UNCLASSIFIED

TABLE OF CONTENTS

WITNESS	EXAMINATION
Glenn A. Robinette By Mr. Saxon	3

EXHIBITS	IDENTIFIED
1	11
2	12
3	12
4	13
5	19

UNCLASSIFIED

ER3G336

UNCLASSIFIED

PROCEEDINGS

Whereupon,

GLENN A. ROBINETTE

was called as a witness and, having been first duly sworn, was examined and testified as follows:

EXAMINATION

BY MR. SAXON:

Q Mr. Robinette, would you state for the record, please, your full name.

A Glenn A. Robinette.

Q Your address, sir.

A 3265 Arcadia Place, N.W., Washington, D.C.

Q Could you tell us by whom you are employed, sir.

A I am self-employed.

Q What would be the name of the entity under which you do business?

A Glenn Robinette & Associates.

Q What is your business address?

A The same as the home address.

Q What is the nature of the business that Glenn Robinette & Associates engages in?

A I do security consulting, consulting on security

UNCLASSIFIED

SECRET

type projects.

Q Could you elaborate a bit on that?

A Yes. Individuals, businesses or companies require advice and guidance on physical security, personal security, technical security.

Q Okay. Do you or did you ever have any relatives who worked for the Federal Bureau of Investigation?

A No, I did not.

MR. TUOHEY: Off the recrod.

(Discussion off the record.)

BY MR. SAXON:

Q Mr. Robinette, I'd like to inquire into matter which has received some public notice within the last few weeks involving a security system installed at the home of LTCOL Oliver North.

First question, do you, sir, know LTCOL Oliver North?

MR. TUOHEY: I object to the question on the grounds of privilege, and I instruct my client not to answer. Now, you can leave this on -- you can leave it on the record. How is it best handled for you?

MR. SAXON: I do not care whether you assert privilege on behalf of your client. I see no reason to go through the process of having him do it. I would, however, like to ask the questions which I would have otherwise asked --

MR. TUOHEY: Fine.

MR. SAXON: -- for purposes of ascertaining where privilege does and does not apply.

MR. TUOHEY: Why don't we do this then, to make it simple. I will just say we assert the privilege in response to the question, or do you want me to object? Whichever is easiest. It is going to be a transcript for the Committee. I will object and assert the privilege.

MR. SAXON: Okay.

BY MR. SAXON:

Q Have you ever met Colonel North?

MR. TUOHEY: Object to the question; assert the privilege.

BY MR. SAXON:

Q Have you ever done any work for Colonel North?

MR. TUOHEY: Object to the question; assert the privilege.

BY MR. SAXON:

Q Have you ever done any work on behalf of or as a

UNCLASSIFIED
SECRET

UNCLASSIFIED

favor to Colonel North?

MR. TUOHEY: Object to the question; assert the privilege.

BY MR. SAXON:

Q Have you ever had a conversation with Richard Secord? Did you have a conversation with Richard Secord sometime in the time frame of late spring or early summer 1986 regarding Colonel Oliver North?

MR. TUOHEY: Same objection.

BY MR. SAXON:

Q Have you ever spoken with a Mr. Ben Chatham of Automatic Door Specialists?

MR. TUOHEY: Same objection.

MR. SAXON: That objection would be as to any conversation of any nature?

MR. TUOHEY: Yes. Yes, it would, although, it would make it easier for my client and I to respond, John, if you are going to go beyond the time frame at issue, which I guess, based on what's public, a matter of public record, the period of 1986 through the present -- if your question is, have you ever had a conversation of any kind with an individual other than during this period, we might have a

UNCLASSIFIED

different response.

BY MR. SAXON:

Q Have you ever had a conversation with Mr. Ben Chatham of Automatic Door Specialists about doing any work for Colonel North?

MR. TUOHEY: Object to the question and assert the privilege.

BY MR. SAXON:

Q Have you ever had any conversation with Mr. Chatham regarding doing any work for an associate who press reports suggest -- an associate of yours whom press reports suggest would have been Colonel North?

MR. TUOHEY: Object to the question; assert the privilege.

BY MR. SAXON:

Q Have you ever had a conversation with Mr. Chatham regarding doing any work to install a security system at 703 Kentland Drive, Great Falls, Virginia?

MR. TUOHEY: Object to the question; assert the privilege.

BY MR. SAXON:

Q Have you ever been to 703 Kentland Drive, Great

UNCLASSIFIED

Falls, Virginia?

MR. TUOHEY: Object to the question; assert the privilege.

BY MR. SAXON:

Q Do you know, sir, who lives at 703 Kentland Drive, Great Falls, Virginia?

A MR. TUOHEY: Same question.

BY MR. SAXON:

Q Have you ever met Mr. Chatham at a private home, a private residence for a job that Automatic Door Specialists was to do?

MR. TUOHEY: Other than what has been previously described?

MR. SAXON: That's correct.

MR. TUOHEY: Other than the address you've just given or including?

MR. SAXON: Including.

MR. TUOHEY: Object to the question and assert the privilege.

BY MR. SAXON:

Q Have you ever told Mr. Chatham that a party living at 703 Kentland Drive was an associate of yours?

UNCLASSIFIED

MR. TUOHEY: Object to the question; assert the privilege.

BY MR. SAXON:

Q Did you ever receive an invoice from Automatic Door Specialists for a job done at 703 Kentland Drive, Great Falls, Virginia?

MR. TUOHEY: Object to the question; assert the privilege.

BY MR. SAXON:

Q Did you ever call Mr. Ben Chatham of Automatic Door Specialists upon receipt of an invoice and ask him to meet you for dinner?

MR. TUOHEY: Same objection.

BY MR. SAXON:

Q Did you, in fact, ever meet Mr. Chatham for dinner at a Japanese restaurant in Silver Spring, Maryland, or, for that matter, in any other restaurant?

MR. TUOHEY: Same objection.

BY MR. SAXON:

Q Did you, over dinner with Mr. Ben Chatham at a restaurant in Silver Spring, Maryland, present him an envelope with cash in the amount of $2173?

UNCLASSIFIED

MR. TUOHEY: Same objection.

BY MR. SAXON:

Q Have you ever called Mr. Chatham of Automatic Door Specialists with regard to servicing a home security system, gate intercom at 703 Kentland Drive at Great Falls, Virginia, after such time as the system was installed?

MR. TUOHEY: Same objection.

BY MR. SAXON:

Q Have you ever discussed with Mr. Chatham, apart from the job referenced in Great Falls, Virginia, doing business with him overseas?

MR. TUOHEY: Same objection.

BY MR. SAXON:

Q Have you ever discussed with him doing business in the Far East or other parts of the world, which you are not at liberty to disclose?

MR. TUOHEY: Same objection.

BY MR. SAXON:

Q Have you ever discussed with him doing business overseas involving electronic devices on buildings?

MR. TUOHEY: Same objection.

UNCLASSIFIED

BY MR. SAXON:

Q Have you ever discussed with him doing business overseas, in which his employees would require government security clearances?

E1 MR. TUOHEY: Same objection.

MR. SAXON: I would like to present to you some documents, which I would ask be marked in order as Deposition Exhibit 1, 2 and 3, and ask you to refer to, if you would, Mr. Robinette, Deposition Exhibit 1, which is a proposal submitted to Glenn Robinette & Associates by Automatic Door Specialists, presented by, if you look at the authorized signature block, Mr. Benjamin P. Chatham. This is the date of June 17, 1986, and I would ask you if you have ever seen that before.

(Exhibit 1 identified.)

MR. TUOHEY: On the basis of what has been previously asserted as the objection by Mr. Robinette, more specifically under the Fisher Doctrine, we respectfully decline to answer the question on the grounds of privilege.

BY MR. SAXON:

Q I would ask you, Mr. Robinette, if you could verify for the committee whether that is, indeed, your signature at the bottom of Exhibit 1.

MR. TUOHEY: Same objection as just made.

BY MR. SAXON:

Q I would ask that you look at what has been marked as Deposition Exhibit 2, which is a letter on the letterhead of Automatic Door Specialists to Glenn Robinette & Associates, signed by Benjamin P. Chatham, dated July 7, 1986, and ask you if you have ever seen that letter before.

(Exhibit 2 identified.)

MR. TUOHEY: Same objection.

BY MR. SAXON:

Q I would ask you if you have any confirmation of the facts asserted in that letter.

MR. TUOHEY: Same objection.

BY MR. SAXON:

Q I would ask you then to look at Deposition Exhibit 3, which is an invoice from Automatic Door Specialists, Job Invoice No. 2747, billed to Glenn Robinette & Associates, and ask you if you've ever seen this invoice.

(Exhibit 3 identified.)

MR. TUOHEY: Same objection.

UNCLASSIFIED

BY MR. SAXON:

Q I would ask you if you have paid the amount circled on that invoice of $2173 to Automatic Door Specialists.

MR. TUOHEY: Same objection. John, are we entitled to have a copy of this or not?

MR. SAXON: Yes. There's a copy unmarked as to deposition exhibit number, and those are for your purposes, and those are for you.

MR. TUOHEY: Thank you.

BY MR. SAXON:

Q Mr. Robinette, I referenced at the outset that some of the matters I have inquired about have appeared in public, for which reason I would like to ask you some questions about some newspaper articles. I will give you these as your copies to have and take with you.

The first newspaper article, which I have asked be marked Deposition Exhibit 4, is a story from the Washington Post of March 17, 1987, by George Lardner, Jr., with the headline, "North Given Gift of Home Security: A $2,000 Gate."

(Exhibit 4 identified.)

UNCLASSIFIED

BY MR. SAXON:

Q I would ask you first if you are familiar with, or have any knowledge of that Washington Post article.

MR. TUOHEY: While I would, reflexively, based on the context of this deposition, assert the privilege, I want to be sure that I am doing it accurately.

MR. SAXON: Do you need a moment to read the article?

MR. TUOHEY: If your question is, has Mr. Robinette read the article, he can answer it.

If your question is, is he familiar with the contents reflected therein, that is a different question.

MR. SAXON: All right. Let me take them in order then.

BY MR. SAXON:

Q Mr. Robinette, you see the article in front of you. Have you read that article, sir?

A Yes, I have.

Q Can I ask you if there is anything in that article which you find to be inaccurate?

MR. TUOHEY: Object to the question and assert the privilege.

UNCLASSIFIED

BY MR. SAXON:

Q Can I ask you, then, whether you can confirm any of the facts stated in that article and attributed to you, sir.

MR. TUOHEY: Same objection.

BY MR. SAXON:

Q Have you, within the last month, spoken to George Lardner, Jr., of the Washington Post?

MR. TUOHEY: You may answer that question. Have you spoken to Mr. Lardner?

THE WITNESS: Subsequent to this?

MR. TUOHEY: No, in the last month at all, have you spoken to Mr. Lardner?

THE WITNESS: Yes.

BY MR. SAXON:

Q Did you tell him you heard about Colonel North's security problems with "terrorists and people like that" in a Northern Virginia bar one evening?

MR. TUOHEY: Object to the question and assert the privilege, and I will object and assert the privilege to each and every question regarding the contents of the interview, although you can ask them, John.

UNCLASSIFIED

BY MR. SAXON:

Q Did you tell Mr. Lardner that Richard Secord told you of Oliver North's difficulties, after Colonel North was publicly linked to aid for the contras?

MR. TUOHEY: Same objection.

BY MR. SAXON:

Q Did you tell Mr. Lardner that you were a "security consultant"?

MR. TUOHEY: Same objection.

BY MR. SAXON:

Q Did you tell Mr. Lardner, 'General Secord told me to talk to him," meaning Colonel North? Continuing the quotation, "I think there had been some things put in the mailbox, potential explosives. And there was also some concern about cars driving onto the property."

MR. TUOHEY: Same objection.

BY MR. SAXON:

Q Did you tell Mr. Lardner that the bill for this job was "around $2,000"?

MR. TUOHEY: Same objection.

BY MR. SAXON:

Q Did you tell Mr. Lardner that you paid for that bill upon receipt of the invoice, in cash?

MR. TUOHEY: Same objection.

BY MR. SAXON:

Q Did you tell Mr. Lardner, "I considered it worth it as perhaps a business venture"?

MR. TUOHEY: Same objection.

BY MR. SAXON:

Q Did you tell Mr. Lardner, that you hoped Colonel North would steer some business your way?

MR. TUOHEY: Same objection.

BY MR. SAXON:

Q Did you tell Mr. Lardner -- excuse me. Did you suggest to a reporter that you had in mind putting in more gates for North's friends and neighbors?

MR. TUOHEY: Same objection.

BY MR. SAXON:

Q Did you tell Mr. Lardner, you did not regard paying for the gate in cash as "a very unusual deal. I pay in cash for a lot of things"?

MR. TUOHEY: Same objection?

BY MR. SAXON:

Q Did you tell Mr. Lardner that you still expected Colonel North to pay you back one day?

MR. TUOHEY: Same objection.

BY MR. SAXON:

Q Did you tell Mr. Lardner of Colonel North, "He'll pay. I look at it as simple business. He's a hell of a nice guy. Very nice family. Super kids. He just wasn't able to come up with the money"?

MR. TUOHEY: Same objection.

BY MR. SAXON:

Q Did you tell Mr. Lardner that you met General Secord through Thomas G. Clines?

MR. TUOHEY: Same objection.

BY MR. SAXON:

Q Did you tell Mr. Lardner that you have known Thomas G. Clines for than 30 years?

MR. TUOHEY: Same objection.

BY MR. SAXON:

Q Did you tell Mr. Lardner, of our committee, "They must think I've been moving money"?

MR. TUOHEY: Same objection.

MR. SAXON: I'd like to invite your attention and that of your counsel to Deposition Exhibit No. 5, which is a newspaper article in the Chicago Tribune on the date of March 18, 1987, by Mr. Michael Tackett and William Gaines, with the headline, "North Financial Aid Arranged by Secord."

(Exhibit 5 identified.)

BY MR. SAXON:

Q I would ask you, sir, whether you have read that article before.

MR. TUOHEY: Have you read it?

THE WITNESS: Yes, recently.

BY MR. SAXON:

Q Thank you.

Did you ever talk with either Mr. Tackett or Mr. Gaines?

A Yes.

Q Could you tell us which? Mr. Tackett?

A Yes. Mr. Tackett.

Q Mr. Gaines?

A No.

Q So you talked only with Mr. Tackett.

Did you ever tell Mr. Tackett that you paid $2000 cash to a contractor to install a security system for Colonel North?

UNCLASSIFIED

MR. TUOHEY: Same objection.

BY MR. SAXON:

Q Did you tell Mr. Tackett that you have billed North for work but have not been paid?

MR. TUOHEY: Same objection.

BY MR. SAXON:

Q Could you tell us when you billed Colonel North?

MR. TUOHEY: Same objection.

BY MR. SAXON:

Q Did you tell Mr. Tackett that General Secord approached you last spring to the effect that Colonel North was concerned about security and a possible terrorist attack on his home or his person?

MR. TUOHEY: Same objection.

BY MR. SAXON:

Q Did you tell Mr. Tackett that you called North and said you would arrange to have a security system installed?

MR. TUOHEY: Same objection.

BY MR. SAXON:

Q Did you tell Mr. Tackett that you paid a contractor $2000 in cash and billed Colonel North for the work?

UNCLASSIFIED

MR. TUOHEY: Same objection.

BY MR. SAXON:

Q Did you tell Mr. Tackett that Colonel North had not yet repaid you?

MR. TUOHEY: Same objection.

BY MR. SAXON:

Q Did you tell Mr. Tackett that you were a business associate of Mr. Clines'?

MR. TUOHEY: Same objection.

BY MR. SAXON:

Q Did you tell Mr. Tackett that Mr. Clines introduced you to General Secord several years ago?

MR. TUOHEY: Same objection.

BY MR. SAXON:

Q Did you tell Mr. Tackett that you denied any impropriety in paying for the gate?

MR. TUOHEY: Same objection.

BY MR. SAXON:

Q Did you tell Mr. Tackett that you exchanged letters with Colonel North about the debt?

MR. TUOHEY: Same objection.

BY MR. SAXON:

Q Did you tell Mr. Tackett that you expected to be paid by Colonel North?

MR. TUOHEY: Same objection.

BY MR. SAXON:

Q Did you tell Mr. Tackett that Colonel North indicated in his letter to you that he was strapped for cash?

MR. TUOHEY: Same objection.

BY MR. SAXON:

Q Have you ever received a letter from Colonel Oliver North?

MR. TUOHEY: Same objection.

BY MR. SAXON:

Q Did you tell Mr. Tackett of the security system and its installation, "It's an innocuous thing"?

MR. TUOHEY: Same objection.

BY MR. SAXON:

Q Did you ever tell Mr. Tackett -- excuse me -- "It's just a remote control gate"?

MR. TUOHEY: Same objection.

BY MR. SAXON:

Q Did you ever tell Mr. Tackett, speaking of

UNCLASSIFIED

Colonel North, "He told me he was really concerned about terrorists. He was concerned about his kids and all"?

MR. TUOHEY: Same objection.

BY MR. SAXON:

Q Did you ever tell Mr. Tackett that you told North that the security gate and the intercom system would help protect his family and home?

MR. TUOHEY: Same objection.

BY MR. SAXON:

Q Did you ever tell Mr. Tackett that you believed the installation of the gate at Colonel North's home might benefit your own business.

MR. TUOHEY: Same objection.

BY MR. SAXON:

Q Did you ever tell him, "I was hoping to get more business. He volunteered if I wanted that if I wanted to use the gate as a reference for other business, he wouldn't mind"?

MR. TUOHEY: Same objection.

BY MR. SAXON:

Q Did you ever tell Mr. Tackett that Secord approached you about helping Colonel North?

UNCLASSIFIED

BY MR. SAXON:

Q Did you ever tell Mr. Tackett, "Secord said here's the phone number. Call him up," meaning Colonel North?

MR. TUOHEY: Same objection.

BY MR. SAXON:

Q Did you ever tell Mr. Tackett that after the gate was installed, Colonel North wrote you a letter thanking you for your concern for his family?

MR. TUOHEY: Same objection.

BY MR. SAXON:

Q Did you ever tell Mr. Tackett that you had no other business dealings with Richard Secord?

MR. TUOHEY: Same objection.

BY MR. SAXON:

Q Did you tell Mr. Tackett that you and Thomas Clines had been business partners in several business ventures in conjunction with one of which you're codefendants in a breach of contract suit on appeal before a federal appeals court in in Richmond, Virginia?

MR. TUOHEY: Same objection.

BY MR. SAXON:

Q Can you tell us anything that you did tell

UNCLASSIFIED

Mr. Tackett in the conversation which you have previously acknowledged?

MR. TUOMEY: Same objection.

BY MR. SAXON:

Q Can you tell us anything that you told to Mr. Lardner in the earlier conversation you've acknowledged?

MR. TUOHEY: Same objection.

BY MR. SAXON:

Q Mr. Robinette, were you ever employed by the Central Intelligence Agency?

MR. TUOHEY: You may answer that.

THE WITNESS: Yes, I was.

BY MR. SAXON:

Q Could you tell us the approximate dates of your employment?

A 1951-1971.

Q Can you tell us the nature of your work for the agency?

MR. TUOHEY: John, I'm going to object, not on the grounds of self-incrimination privilege, but on the grounds that Mr. Robinette, when he retired from the Central Intelligence Agency, signed an agreement that he would never disclose the details of his employment. I can formalize that in a national security type assertion, but for the moment, I am going to instruct the client not to answer the question.

MR. SAXON: Let me say for the record, that this a cleared deposition. Our court reporter is cleared at the secret level. I am cleared at top secret and compartmented information. Whether that assists you in revising your previous answer, I don't know.

MR. TUOHEY: It does not assist me today. It may assist me at a further discussion down the road, and I would have to review the terms of that agreement before I advised my client.

E2

MR. SAXON: Okay.

BY MR. SAXON:

Q If you can't describe the exact nature of your work for the agency, could you state for the record your position or title at the CIA for any or all of your positions?

MR. TUOHEY: I believe the same objection would apply at this point. I will review the agreement, the security agreement that was signed by my client, and at a future date, maybe we will be able to discuss this, but for the moment, I am going to have to instruct him to respectfully decline to answer the question.

BY MR. SAXON:

Q Are you now employed by the Central Intelligence Agency?

A No, I'm not.

Q Have you been employed by the agency since leaving in 1971?

MR. TUOHEY: I instruct the witness not to answer the question on the grounds of privilege.

MR. SAXON: Privilege as to security?

MR. TUOHEY: Yes.

MR. SAXON: That objection would likewise apply to the question; have you ever done any work on a contract basis for the agency, since leaving in 1971?

MR. TUOHEY: Same objection.

BY MR. SAXON:

Q Have you ever done any work as a security consultant for the United States Capitol?

MR. TUOHEY: You may answer.

THE WITNESS: No.

BY MR. SAXON:

Q Have you ever done any work as a security consultant at the White House?

A No, I have not.

Q Have you ever done any work as a security consultant, after leaving the agency in or for clients in South Africa or doing work in South Africa?

A No, I have not.

Q The same question as to the Middle East.

MR. TUOHEY: I am going to instruct my client not to answer the question, on the grounds of his Fifth Amendment privilege.

BY MR. SAXON:

Q The same question as to the State of California.

MR. TUOHEY: As to all client questions, since his retirement from the CIA -- well, I will listen to each one, but as to California, while that's very general, and I admit that to you, it's very general, I am going to err on the side of caution and advise him not to answer the question, on the grounds of privilege.

BY MR. SAXON:

Q Have you ever done any work, since retiring from

UNCLASSIFIED

the CIA, security work, on the premises of or involving aircraft hangars?

MR. TUOHEY: I am going to object to the question and instruct my client not to answer.

BY MR. SAXON:

Q Have you done any work as a security consultant involving security fences?

MR. TUOHEY: Same objection.

BY MR. SAXON:

Q Have you done any work as a security consultant involving radar devices, in general?

MR. TUOHEY: Same objection.

BY MR. SAXON:

Q A specific question, as to Central America.

MR. TUOHEY: Same objection.

BY MR. SAXON:

Q The same question regarding nuclear power plant security in South Korea.

MR. TUOHEY: You may answer that question.

THE WITNESS: No.

BY MR. SAXON:

Q Have you ever had any involvement with a business

UNCLASSIFIED

entity entitled EATSCO?

MR. TUOHEY: I object to the question and instruct my client not to answer.

MR. SAXON: On what basis?

MR. TUOHEY: Fifth Amendment.

BY MR. SAXON:

Q Have you ever been interviewed by law enforcement authorities or authorities within the criminal justice system at either the state or federal level, to include prosecutors, with regard to EATSCO?

MR. TUOHEY: May I consult my client?

MR. SAXON: Yes.

(Discussion off the record.)

MR. TUOHEY: The question is whether he was ever interviewed by a law enforcement official of any type with respect to EATSCO?

MR. SAXON: That's correct.

MR. TUOHEY: I'm going to instruct my client not to answer the question on the grounds of privilege.

BY MR. SAXON:

Q Let me narrow it then and ask whether you've ever been interviewed by authorities regarding EATSCO, who are at the state level?

MR. TUOHEY: Same objection.

BY MR. SAXON:

Q Same question as to federal law enforcement authorities.

MR. TUOHEY: Same objection.

BY MR. SAXON:

Q Have you ever testified before a grand jury investigating matters involving EATSCO?

MR. TUOHEY: You can answer that question.

THE WITNESS: Yes.

BY MR. SAXON:

Q Can you tell us whether that was a federal or state grand jury?

MR. TUOHEY: Do you know?

THE WITNESS: I don't know. I know where it was.

BY MR. SAXON:

Q Can you tell us that?

A Virginia. Alexandria, Virginia.

Q Northern Virginia?

A Yes.

Q Can you tell us anything about the nature of that testimony.

MR. TUOHEY: I'm going to object to the question on the grounds of privilege.

BY MR. SAXON:

Q Could you tell us the approximate date of that testimony before the grand jury in Alexandria, Virginia?

MR. TUOHEY: You may answer the question.

THE WITNESS: The reason I'm acting vague, is damn -- that -- I'm going to guess, subject to my trying to scratch my'head -- with records -- '82 or '83. I am sure it's a matter of record. It seemed to me it was hot.

BY MR. SAXON:

Q Thank you. Do you know an individual named Thomas G. Clines?

MR. TUOHEY: Object to the question on the grounds of privilege and instruct the witness not to answer.

BY MR. SAXON:

Q Have you ever done work for Mr. Clines.

MR. TUOHEY: Same objection.

BY MR. SAXON:

Q Are you familiar with Systems Services International. Inc?

MR. TUOHEY: Same objection.

BY MR. SAXON:

Q Do you have knowledge of Systems Services International, Inc. paying a fine in 1984 in the amount of $100,000?

MR. TUOHEY: Same objection.

BY MR. SAXON:

Q Have you ever been involved with a business arrangement, whether totally private or on behalf of an entity or agency of the United States Government to sell arms to Mr. Somoza in Nicaragua?

MR. TUOHEY: Same objection.

BY MR. SAXON:

Q Do you know Erik von Marbaden?

MR. TUOHEY: Same objection.

BY MR. SAXON:

Q Have you ever worked for or with Mr. von Marbaden?

MR. TUOHEY: Same objection.

BY MR. SAXON:

Q Do you know John Sinlaub?

MR. TUOHEY: You may answer that.

THE WITNESS: No.

BY MR. SAXON:

Q Do you know Robert Dutton?

MR. TUOHEY: Same objection.

BY MR. SAXON:

Q Have you ever worked for or with Mr. Dutton?

MR. TUOHEY: Same objection.

BY MR. SAXON:

Q Do you know Richard Gad?

MR. TUOHEY: You may answer that.

THE WITNESS: No.

BY MR. SAXON:

Q Do you know Albert Hakim?

MR. TUOHEY: Same objection.

BY MR. SAXON:

Q Have you ever worked for or with Mr. Hakim?

MR. TUOHEY: Same objection.

BY MR. SAXON:

Q Do you know Robert Owen?

MR. TUOHEY: Same objection.

MR. SAXON:

Q Have you ever worked for or with Mr. Owen?

MR. TUOHEY: Same objection.

BY MR. SAXON:

Q Do you know Richard Secord?

MR. TUOHEY: Same objection.

BY MR. SAXON:

Q Have you ever worked for or with Mr. Secord?

MR. TUOHEY: Same objection.

BY MR. SAXON:

Q Do you know Robert Lilac?

MR. TUOHEY: Same objection.

BY MR. SAXON:

Q Have you worked for or with or met Mr. Lilac?

MR. TUOHEY: Same objection.

BY MR. SAXON:

Q Do you know Theodore Shackley?

MR. TUOHEY: Same objection.

BY MR. SAXON:

Q Have you ever worked for or with Mr. Shackley?

MR. TUOHEY: Same objection.

BY MR. SAXON:

Q Do you know Rafael Quintero?

MR. TUOHEY: Same objection.

UNCLASSIFIED

BY MR. SAXON:

Q Have you ever worked for or with Mr. Quintero?

MR. TUOHEY: Same objection.

BY MR. SAXON:

Q Do you know Carl Channel?

MR. TUOHEY: Same objection.

BY MR. SAXON:

Q Have you ever worked for or with Mr. Channel?

MR. TUOHEY: Same objection.

BY MR. SAXON:

Q Do you know Mr. Felix Rodriguez, also known as Max Gomez?

MR. TUOHEY: Same objection.

BY MR. SAXON:

Q Have you ever worked with Mr. Rodriguez, either with or for him under that name or that of Mr. Gomez?

MR. TUOHEY: Same objection.

BY MR. SAXON:

Q Do you know Mr. Richard Miller?

MR. TUOHEY: Same objection.

BY MR. SAXON:

Q Have you ever worked for or with Mr. Miller?

UNCLASSIFIED

MR. TUOHEY: Same objection.

BY MR. SAXON:

Q Do you have any knowledge you have gained, other than from general news accounts, regarding activities on behalf of the United States within the period from 1981 to present, to sell, transport or ship arms, directly or indirectly to Iran?

MR. TUOHEY: Same objection.

BY MR. SAXON:

Q Do you have any independent knowledge gained separate and apart from press accounts, dating to roughly late November 1986, regarding efforts to supply arms, ammunition or other military equipment to the opposition forces in Nicaragua, otherwise known as the contras?

MR. TUOHEY: Same objection.

BY MR. SAXON:

Q Do you have any independent knowledge, other than that gained from general news accounts since the post-November '86 period regarding efforts to divert money from the profits gained from the sale of arms to Iran to the opposition forces in Nicaragua, otherwise commonly known as the contras?

MR. TUOHEY: Same objection.

UNCLASSIFIED
SECRET

UNCLASSIFIED

BY MR. SAXON:

Q Do you have any independent knowledge, gained apart from general news accounts, regarding American hostages held in Lebanon?

MR. TUOHEY: You may answer that question.

THE WITNESS: Would you say that again, please? I'm listening closely, but I miss.

BY MR. SAXON:

Q If I need to restate it further, just tell me.

Do you have any knowledge, independent of general news accounts regarding American hostages held in Lebanon?

A No, I don't.

Q Do you have any knowledge -- excuse me. Let me rephrase that.

Have you ever worked for or with Global American Resources?

MR. TUOHEY: Same objection.

BY MR. SAXON:

Q Have you ever worked for or with Transworld Arms, Inc.?

MR. TUOHEY: Same objection.

UNCLASSIFIED

SECRET

BY MR. SAXON:

Q Have you ever worked for or with Edwin Wilson?

MR. TUOHEY: Same objection. Well, let me just say this for the record. Mr. Wilson and Mr. Robinette were in the Central Intelligence Agency during some of the same years. My client, in response to your question, would testify that he has met Mr. Wilson, has never had any professional dealings with him, has never worked on any project in or out of the Central Intelligence Agency with him, but if he saw him in a room, would he know who he was, yes. But he's had no relationship. And since that name has special character in this city, given his activities and criminal involvement, I want my client to answer those questions directly without an assertion of privilege.

So you may ask anything you like about Mr. Wilson.

BY MR. SAXON:

Q Do you know Mr. Edwin Wilson?

A Yes, I do.

Q Apart from the period of your employment at the Central Intelligence Agency, have you ever worked for Mr. Wilson?

A No, I have not.

UNCLASSIFIED

SECRET

UNCLASSIFIED

Q You never swept an office for Mr. Wilson in Washington, D.C.?

A To my recollection, no. I had been requested. That was one of the things he asked me. I was trying to remember. I did an adjoining suite.

Q Would that have been on K Street in Washington, D.C.?

A Uh-huh.

Q Would that have been at the request of Mr. Wilson?

A I doubt it. I dealt directly with the principal who occupied it, an entirely different company.

Q So if I understand your testimony, you never swept an office owned, used or rented by Mr. Wilson, immediately after federal authorities had entered into his suite and engaged in activities which led Mr. Wilson to believe that they might have bugged his office?

A No, sir. But I can recall him asking me to do that. And it might have been at that breakfast up at the University Club. I may be wrong on that, but it's a long time ago, but no, sir.

E3

Q Have you ever rented a space from Mr. Wilson?

A No.

UNCLASSIFIED

Q Have you ever done contract work for Mr. Wilson?

A No.

Q With regard to all previous questions asking whether you have done work for Mr. Wilson, have you also ever done work for any businesses which he owned or was associated with?

A No.

Q Have you ever swept offices which were for corporations owned or associated with Mr. Wilson?

A Not to my knowledge.

Q Have you ever worked for or with Udall Corporation?

MR. TUOHEY: Object to the question. I instruct the witness not to answer on ground of privilege.

BY MR. SAXON:

Q Have you ever worked for or with Udall Research Corporation?

MR. TUOHEY: Same objection.

BY MR. SAXON:

Q Have you ever worked for or with Udall Resources, Inc., S.A.?

MR. TUOHEY: Same objection.

BY MR. SAXON:

Q Have you ever worked for or with Systems Services

International?

MR. TUOHEY: Same objection.

BY MR. SAXON:

Q Do you have any knowledge, independent of general news accounts, of Project Democracy?

MR. TUOHEY: Same objection.

BY MR. SAXON:

Q Have you ever worked for or with Corporate Air Services?

MR. TUOHEY: Same objection.

BY MR. SAXON:

Q Have you ever worked for or with Intercontinental Technology?

MR. TUOHEY: Same objection.

BY MR. SAXON:

Q Have you ever worked for or with IBC?

MR. TUOHEY: Same objection.

BY MR. SAXON:

Q Have you ever worked for or with Stanford Technology Corporation?

MR. TUOHEY: Same objection.

SECRET UNCLASSIFIED

BY MR. SAXON:

Q Have you ever worked for or with Lake Resources?

MR. TUOHEY: Same objection.

BY MR. SAXON:

Q Have you ever worked for or with Southern Air Transport?

MR. TUOHEY: Same objection.

BY MR. SAXON:

Q Did Thomas Clines ever employ you in any way, in order to help incriminate Edwin Wilson?

MR. TUOHEY: Same objection.

Can we just finish one thing

(Discussion off the record.)

THE WITNESS: Would you say it again? I am certain of my answer, but I want to be sure I understood your question.

BY MR. SAXON:

Q I apologize for an unintentionally vague question.

A It sounds clear, but it sounds odd.

Q Have you ever been employed by or worked for or with Thomas G. Clines in an capacity in which he instructed you, suggested to you or importuned you to, in any way,

UNCLASSIFIED SECRET

incriminate Edwin Wilson?

A No.

Q Do you know a woman by the name of Charlene Brill?

A Yes.

Q Can you tell us how you came to know her?

MR. TUOHEY: Object to the question on the grounds of privilege; instruct the witness not to answer.

BY MR. SAXON:

Q Can you tell us for what period of time you've known Ms. Brill?

MR. TUOHEY: Same objection.

MR. SAXON: That would be the objection under the Fifth Amendment privilege and not going to security?

MR. TUOHEY: Yes.

BY MR. SAXON:

Q Did you work with Ms. Brill while at the Central Intelligence Agency?

MR. TUOHEY: Same objection.

MR. SAXON: I'm sorry. Which?

MR. TUOHEY: Fifth Amendment.

BY MR. SAXON:

Q Did you ever sweep an office for Bob Gray in

UNCLASSIFIED

Washington, D.C.?

MR. TUOHEY: You may answer that.

THE WITNESS: Yes.

BY MR. SAXON:

Q Have you given any testimony in the matters which have become known as the Iran-Contra Affair before the U.S. House of Representatives?

MR. TUOHEY: You may answer that.

THE WITNESS: NO.

BY MR. SAXON:

Q Have you been contacted by anyone employed by the U.S. House of Representatives in this matter?

MR. TUOHEY: I will state for the record that a bureau agent contacted my client last evening from the Special Prosecutor's Office and encouraged him to come down and discuss matters. I have not talked to him, but my client advised the agent that he has counsel, and that I should be contacted. There's been no contact from the House side.

BY MR. SAXON:

Q Do you have any documents which were requested under the Committee's subpoena of March 16, which you have

UNCLASSIFIED

SECRET

UNCLASSIFIED

brought with you today?

MR. TUOHEY: John, I have documents in my possession which my client has given to me.

MR. SAXON: Pertaining to matters subject to the subpoena?

MR. TUOHEY: Pertaining to matters subject to the subpoena, which I have examined carefully.

I have concluded that in each and every one of those documents, the Fisher Doctrine of implied self-authentication would permit me to, and I do so assert the privilege on my client's behalf with respect to those documents.

BY MR. SAXON:

Q So you have no documents to present to the Committee today?

MR. TUOHEY: Correct.

MR. SAXON: I believe that completes the questions that I would have at this time.

Is there further statement that you or your client would wish to make?

MR. TUOHEY: No. Other than to say, we're prepared to be present, and it is not necessary for you to issue a

UNCLASSIFIED
SECRET

formal subpoena. If you will call me, I will have my client prepared to meet any mutually convenient dates.

MR. SAXON: For purposes of public testimony? Is that what we're talking about?

MR. TUOHEY: Whatever. You don't need to subpoena my client from this point forward. You can call me or notify me in writing, although it is not necessary to do it in writing. I will waive any formal requirements of a subpoena.

MR. SAXON: Very good. Thank you.

(Whereupon, at 11:15 a.m., the taking of the deposition was concluded.)

Glenn A. Robinette

UNCLASSIFIED

Exh 1
7/27/87 DHH

48

CARDKEY Security Systems
DOR-O-MATIC Automatic Doors
STANLEY Parking Gate & Fence Controls

ADS
Automatic Door Specialists

132 Washington Boulevard
Laurel, Maryland 20707
Balt. 301-792-4090 Wash. 301-953-7900

ROPOSAL SUBMITTED TO: Glenn Robinette and Associates
PHONE: 966 - 5873
DATE: June 17, 1986
TREET: 3365 Arcadia Place, NW
JOB NAME: Private Residence
TY STATE AND ZIP CODE: Washinton, D.C. 20015
JOB LOCATION: Kentland Drive, Great Falls, Virginia
RCHITECT: -----
DATE OF PLANS: ------
JOB PHONE: -----

We hereby submit specifications and estimates for

Automatic Door Specialists (ADS) will automate the existing gate using an Edko Medium Duty Swing Gate Operator. To accommodate automation of gate, ADS will remove existing wooden gate post, replace it with a metal post painted white.

In conjunction with automation of the gate, ADS will provide one Multi-Elmac Receiver and two Multi-Elmac Single Button Transmitters to operate gates from an automobile.

ADS also will install an Aiphone Intercom consisting of an IBG-1GD Master Station inside the front door, and IBG-1HD Additional Master on the upstairs bedroom, and an IB-DA Door Station on a post outside the gate.

ADS will install intercom wiring through existing conduit and will obtain power from existing box in the yard near the gate location.

Quoted price doesnot include price of permits, if needed.

GUARANTEE - Material & Equip. - 1 yr. Labor - 3 mo.

+ $19 for another transmitter = $2173.

We Propose hereby to furnish material and labor — complete in accordance with above specifications, for the sum of:

Two thousand one hundred fifty-four dollars ($ 2,154.00)

Payment to be made as follows:
1% discount / 20 day. Net 30. A 1% service charge will be charged 30 days after the date of the invoice.

All material is guaranteed to be as specified. All work to be completed in a workmanlike manner according to standard practices. Any alteration or deviation from above specifications involving extra costs will be executed only upon written orders, and will become an extra charge over and above the estimate. All agreements contingent upon strikes, accidents or delays beyond our control. Owner to carry fire, tornado and other necessary insurance. Our workers are fully covered by Workmen's Compensation Insurance.

Authorized Signature: Benjamin Chatham
Benjamin P. Chatham

Note: This proposal may be withdrawn by us if not accepted within 30 days.

Acceptance of Proposal — The above prices, specifications and conditions are satisfactory and are hereby accepted. You are authorized to do the work as specified. Payment will be made as outlined above.

Signature: Glenn Robinette

Signature:

Date of Acceptance: 20 June '86

UNCLASSIFIED

FORM 119-3

UNCLASSIFIED

Ex 4.2
3/27/87

49

X 0268

AUTOMATIC DOOR
SPECIALISTS

32 WASHINGTON BOULEVARD LAUREL MARYLAND 20707 4197 • WASHINGTON 953 7900 BALTIMORE 792 4090

July 7, 1986

Glen Robinette and Associates
3265 Arcadia Place, NW
Washington, DC 20015

Dear Mr. Robinette:

Attached is an invoice for $ 2,173.00. This amount represents the original $ 2,154.00 contracted for, plus $ 19.00 for an additional radio transmitter.

Mr. Robinette, Automatic Door Specialists appreciates the business represented by this invoice. If we may provide additional assistance to you in the future, please do not hesitate to contact me.

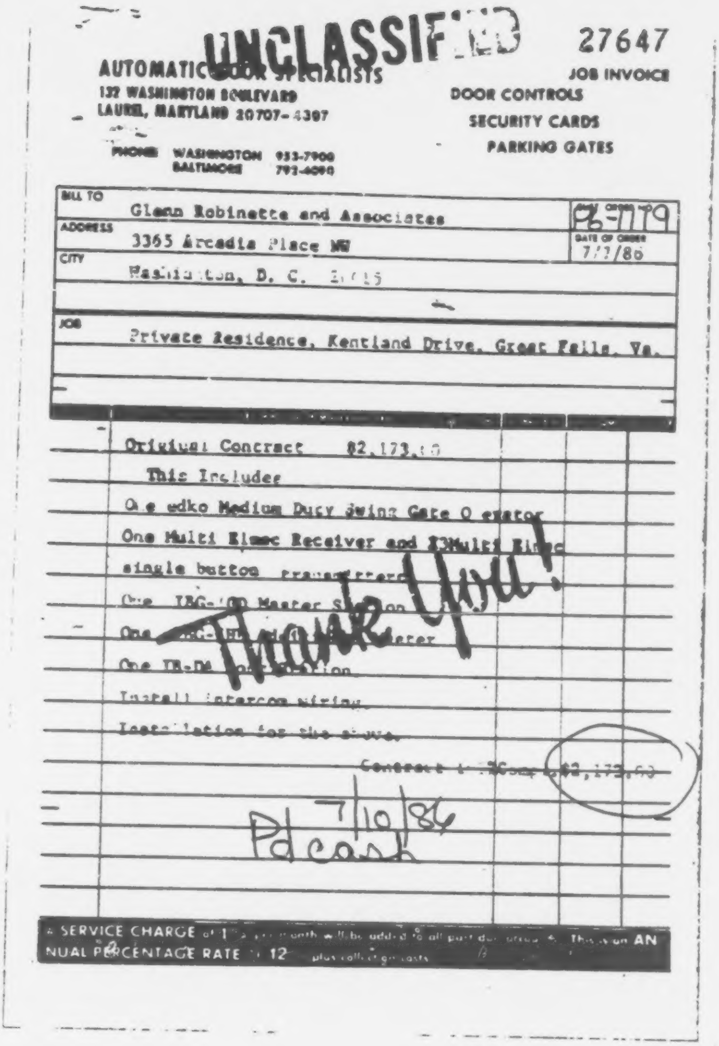
Very truly yours,
AUTOMATIC DOOR SPECIALISTS

Benjamin P. Chatham

Benjamin P. Chatham
Operations Director

UNCLASSIFIED

3/27/87 [illegible] 50



UNCLASSIFIED

27647

AUTOMATIC DOOR SPECIALISTS
132 WASHINGTON BOULEVARD
LAUREL, MARYLAND 20707-4307

PHONE: WASHINGTON 953-7900
BALTIMORE 792-4090

JOB INVOICE
DOOR CONTROLS
SECURITY CARDS
PARKING GATES

BILL TO	Glenn Robinette and Associates		86-7779
ADDRESS	3365 Arcadia Place NW	DATE OF ORDER	7/?/86
CITY	Washington, D. C. 2[illegible]15		
JOB	Private Residence, Kentland Drive, Great Falls, Va.		

Original Contract $2,173.00
This Includes
One edko Medium Duty Swing Gate Operator
One Multi Elmec Receiver and 3 Multi Elmec
single button transmitters
One IBG-100 Master Station
One [illegible]
One IR-D4 [illegible]
Install intercom wiring.
Installation for the above.
Contract [illegible] $2,173.00

Thank You!

7/10/86
Pd cash

A SERVICE CHARGE of 1% per month will be added to all past due accounts. This is an ANNUAL PERCENTAGE RATE of 12% plus collecting costs.

+ 0269

UNCLASSIFIED

CERTIFICATE OF NOTARY PUBLIC & REPORTER

I, David L. Hoffman, the officer before whom the foregoing deposition was taken, do hereby certify that the witness whose testimony appears in the foregoing deposition was duly sworn by me; that the testimony of said witness was taken in shorthand and thereafter reduced to typewriting by me or under my direction; that said deposition is a true record of the testimony given by said witness; that I am neither counsel for, related to, nor employed by any of the parties to the action in which this deposition was taken; and, further, that I am not a relative or employee of any attorney or counsel employed by the parties hereto, nor financially or otherwise interested in the outcome of this action.

David L. Hoff

Notary Public in and for the
District of Columbia

My Commission Expires 6/30/90

UNCLASSIFIED

UNCLASSIFIED

ORIGINAL

TRANSCRIPT OF PROCEEDINGS

SELECT COMMITTEE TO INVESTIGATE COVERT
ARMS TRANSACTIONS WITH IRAN
U. S. HOUSE OF REPRESENTATIVES
--and--
SELECT COMMITTEE ON SECRET MILITARY ASSISTANCE
TO IRAN AND THE NICARAGUAN OPPOSITION
UNITED STATES SENATE

* * *

UNCLASSIFIED

Deposition of GLENN A. ROBINETTE

* * *

Washington, D. C.
June 17, 1987

Pages 1 thru 85

1 of 1

4110

MILLER REPORTING COMPANY, INC.
507 C Street, N.E.
Washington, D.C. 20002

UNCLASSIFIED

Partially Declassified/Released on Dec 30, 19[illegible]
under provisions of [illegible]
by D. Sirko, National Security Council

UNCLASSIFIED

SELECT COMMITTEE TO INVESTIGATE COVERT
ARMS TRANSACTIONS WITH IRAN
U.S. HOUSE OF REPRESENTATIVES
and
SELECT COMMITTEE ON SECRET MILITARY ASSISTANCE
TO IRAN AND THE NICARAGUAN OPPOSITION
UNITED STATES SENATE

Washington, D.C.
Wednesday, June 17, 1987

The deposition of GLENN A. ROBINETTE, called for examination in the above-entitled matter, pursuant to notice, in the offices of the Senate Ethics Committee, Room 220, Hart Senate Office Building, Washington, D.C., convened at 10:41 a.m., before Pamela Briggle, a notary public in and for the District of Columbia, when were present on behalf of the parties:

UNCLASSIFIED

APPEARANCES:

On Behalf of the Select Committee on Secret Military Assistance to Iran and Nicaraguan Opposition of the United States Senate:

PAUL BARBADORO
Deputy Chief Counsel
~~KENNETH BALLEN, Staff Counsel~~
JOHN R. MONSKY, Staff Counsel
Room 901
Hart Senate Office Building
Washington, D.C.

On Behalf of the Select Committee to Investigate Arms Transactions with Iran of the U.S. House of Representatives:

Kenneth Ballen, Staff Counsel
GEORGE W. VAN CLEVE, minority Chief Counsel.
Room H-149, U.S. Capitol
House of Representatives
Washington, D.C.

On Behalf of the Witness:

MARK H. TUOHEY, III, ESQUIRE
Pierson, Ball & Dowd
1200 18th Street, N.W.
Washington, D.C.

Also Present: Thomas Polgar

UNCLASSIFIED

CONTENTS

WITNESS	EXAMINATION
GLENN A. ROBINETTE	
By Mr. Barbadoro	4
By Mr. Van Cleve	

EXHIBITS

NUMBER	FOR IDENTIFICATION
GR-1	4
GR-2A-B	4
GR-3	4
GR-4A-B	4
GR-5A	4
GR-6A-B	4
GR-7A-F	4
GR-8A-E	4
GR-9A-B	4
GR-10A-B	4
GR-11A-B	4

UNCLASSIFIED

PROCEEDINGS

Whereupon,

GLENN A. ROBINETTE

was called for examination by counsel for the Plaintiff and having been first duly sworn by the notary public, was examined and testified as follows:

MR. BARBADORO: Mr. Robinette, it's my understanding that you intend to rely on your Fifth Amendment rights and not to testify to the committee in this or any other proceeding unless you are ordered to by a court and granted limited use immunity. Is that correct?

THE WITNESS: That's correct.

MR. BARBADORO: I want to give you now copies of orders obtained from the United States District Court for the District of Columbia for both the House and the Senate. These orders compel you to testify and grant you limited use immunity.

I give you a copy of these orders and also have them marked for the record.

[Robinette Deposition Exhibit Nos. GR-1, 2A-C, 3, 4A-B, 5A-B, 6A-B, 7A-F, 8A-E, 9A-B, 10A-B and 11A-B were marked for identification.]

Partially Declassified/Released on DEC 30 1987
under provisions of E.O. 12356
by D. [illegible], National Security Council

UNCLASSIFIED

MR. TUOHEY: For the record, we are satisfied with both orders and we intend to proceed accordingly.

MR. BARBADORO: Thank you, Mr. Tuohey.

EXAMINATION

BY MR. BARBADORO:

Q Mr. Robinette, I want to get right to the point here and start in asking you questions about what you did with Richard Secord in 1986. And let me first ask you, did there come a time in March of 1986 when you were hired by Richard Secord to do some work for him?

A That's correct.

Q And do you know the date that you were hired by Mr. Secord?

A No, it would probably be the last week of March; in that time period.

Q I want to show you Exhibit GR-1, which is your calendar for the year 1986 and ask you to look at it and turn your attention to the month of March of 1986. In reviewing that calendar, I see only one meeting with Richard Secord in March, and that was on March 19.

Could you look at that exhibit and tell me, was that the date where Mr. Secord hired you?

A I see it. I can't accurately testify as to the the 19th, but it certainly is in that time span of the last--the latter part of the last week of March, to my recollection.

Q That calendar entry for March 19 reflects the fact that there was a [illegible] with you, Secord, Tom, which would be Tom Clines, correct?

A Tom Clines, yes.

Q And Chi-Chi, which would be Chi-Chi Quintero; is that right?

A Are you reading the same thing I'm reading? Yes, excuse me, I'm sorry. I apologize. I was looking below. It says Hoyt. I'm sorry.

Yes, that's Chi-Chi Quintero.

Q Do you recall meeting with those people at Mr. Secord's office on March 19, 1986?

A No, I don't, but I'm sure I did.

Q Would Tom Clines and Chi-Chi Quintero have been present on the date that Mr. Secord hired you to do work for him?

A To my recollection, I doubt if Mr. Clines or Mr. Quintero knew anything of General Secord's hiring me at that time.

Q So you don't think that you would have been hired at that meeting on the 19th?

A If I was, I don't think they would know it. It's the kind of conversation, knowing General Secord, that he wouldn't necessarily discuss it in front of them.

Q Do you know what the purpose of that meeting was on March 19th?

A No, it looks like [illegible] and then something about an attorney in South Carolina--his name is Hoyt--regarding a bill, something pink slip. And I can't recall what pink slip means. It probably has something to do with payment, or I don't know.

Q So you can't remember what the purpose of that meeting was, correct?

A No, but it looks like social to me. Dinner and drinks.

Q In any event, you recall that you were hired by Mr. Secord some time in March of 1986, correct?

A Yes.

Q What were you hired to do?

A I was hired to conduct research and investigation on allegations being made against General Secord.

Q Can you describe in general terms what those allegations were?

A Yes. General Secord commented that there were people unknown to him who were saying that he was involved in drug trafficking and arms shipments and generally illegal type activities.

Q And what kind of investigation did he want you to do of these allegations?

A He said he didn't know who these people were, and he wanted to know if I could find out who they were and their background and why they would be making these derogatory statements about him.

Q And how much did he propose to pay you for this work?

A Originally we discussed it and I think we said $3,000 a month, but I asked for $4,000 a month plus expenses.

Q And he agreed to pay you that amount?

A Yes, he agreed.

Q And when did you start actually working for him?

A Probably the first week of April.

Q Do you recall when you first got paid?

A No, I don't recall but probably toward the end of-- middle or end of April.

Q And that would have been for work you did for him during the month of April and March?

A Yes.

Q Do you recall whether you were paid by check or in cash?

A I think cash.

Q After the first cash payment you received from Mr. Secord for this work were you later paid by check for some of the work you did for him?

A Much later in the year.

Q Take a look at Exhibits 2-A, B and C.

A Yes, I see them.

Q Those are checks drawn on a Stanford Technology

Trading Group International ~~account~~, correct?

A Yes, they are.

Q They are made out to you?

A Yes, they are.

Q And they are signed by Richard Secord?

A Yes.

Q The first check is dated June 9, 1986, correct?

A Yes, it is.

Q And the second check is dated June 26?

A Twenty-four.

Q Twenty-four. And the third check is dated?

A August 11.

Q August 11. Are these checks that you were paid by Mr. Secord for the investigative work you were doing for him?

A Yes, they are.

Q And that is for work that you did in the months of May, June and July of 1986?

A Yes.

Q Did you continue to work for Mr. Secord after July of 1986 on this investigative assignment?

A Yes, I did.

Q How were you paid for the work you did after July of 1986?

A By cash.

Q When you were paid in cash, did you sign any receipt for the money that you received?

A No, I did not.

Q And did you keep any record of the cash payments you received from Mr. Secord?

A No, I did not.

Q For how long did you continue to receive these payments?

A I was paid up through, I think, November maybe December '86, and they stopped. And then in March of '87 I received one payment of $2,000.

Q And that $2,000 payment, was it in cash or was it paid by check?

A That was a check, I believe.

Q Did you do investigative work for Mr. Secord for which you were not paid?

A I continued through January, February--March was a partial payment, it was $2,000 instead of four. And I think I probably stopped just about early April.

Q And you have not yet been paid for that work, correct?

A No. I had told him in, I think, early January that I realized he had a lot of problems, newspaper articles and so forth, and would undoubtedly have other expenses, and that I was willing to continue on a time available basis--my time available--to receive information [illegible] investigations that

UNCLASSIFIED

I had initiated.

And then in March I spoke to him along the same lines, but told him that if he had any available funds they would be appreciated. And I don't recall his exact words at that time, but he said this was the best he could do at that time and gave--I think he had his girl give me a $2,000 check. I don't remember receiving it, but I got a $2,000 check.

Q How much money does General Secord owe you for the investigative work that you performed for him?

A Well, if we put it around $4,000 a month up until mid-April it would be maybe $15,000, $14,000, something like that. But if he were to come into some funds and there wasn't so much problem, controversy, I probably would ask him for it. But I don't think I would pose that question to him at this time.

Q Do you still expect to be paid for the work?

A I don't know.

Q Are you saying that you don't intend to ask General Secord for the money at this time because you don't think he has the money to pay you?

A That's right.

Q And if he does at some point have the money to pay you, you intend to ask him for it?

A Yes, because I have bills

UNCLASSIFIED

Q Let me turn to a different subject. Did there come a time in the spring of 1986 when General Secord talked to you about installing a security system at the residence of Lieutenant Colonel Oliver North?

A That's correct.

Q Could you look at your calendar, Exhibit 1, and from that calendar can you identify the date when General Secord first talked to you about installing the security system?

A Yes, I can.

Q And what's that date?

A It's the latter part of April, April 29, 1986.

Q Now where were you when he brought up the subject of the security system?

A I believe in his office in Virginia.

Q Was anyone else present at that meeting?

A No, I was in his room, in his suite in Virginia.

Q As of that date had you ever met Lieutenant Colonel Oliver North?

A No, I had not.

Q Had you ever spoken with him?

A No, I had not.

Q Had you ever heard his name mentioned before?

A I think I had heard it mentioned, yes.

Q Who had mentioned it?

A Probably General Secord or Mr. Clines.

Q What did they say about Lieutenant Colonel North?

A That he was working in the White House, and probably identified him at that time as being with the National Security Council. And being a very hard worker, that type of thing.

Q Let's go back to the 29th, and can you tell me as best you can remember what General Secord said to you in that meeting about the need for a security system at Colonel North's residence?

A General Secord described, mentioned that Colonel North had been experiencing threats to his home. And specifically mentioned one in which lights were being shined on the house at night, which frightened his wife and family especially when he, Colonel North, was not there, because as I understood Colonel North was frequently not at home.

In addition, they had received phone calls and threatening phone calls, I believe sugar in the gas tank, flattened tires and unknown packages in the mailbox, which is external to the house.

Q What do you mean by unknown packages?

A Packages not sent by the post office department, but packages that have been--boxes of some type that were put in there by persons unknown, which it was interpreted could be threatening such as a bomb.

UNCLASSIFIED

Q He didn't say that Colonel North had received a bomb though, did he?

A No, he did not.

Q But collectively, the matters that I've just identified resulted in a feeling of severe uncomfortableness by Mrs. North and Colonel North for their family.

Q Did General Secord also say something about the fact that Colonel North was frequently away from home?

A I don't know if he did at that meeting, but at the next meeting it certainly came up that he was--and certainly Mrs. North told me that subsequent to this meeting.

Q Was there any discussion at this April 29 meeting about the concern about terrorists?

A The word terrorist might have been used at the April 29 meeting, but subsequent it was used.

Q Did General Secord say anything to you at this April 29 meeting about the kind of security system that he wanted you to have installed?

A No, he knew that I was familiar with security, all phases of security and he deferred to me to go out and look at the property and make some recommendations.

Q Did he say anything at this meeting about who was going to pay for this system?

A No, he did not.

UNCLASSIFIED

Q What else did he say at the meeting about the security system?

A That's about all that I can recall.

Q After he told you about the need for a security system, what did he do?

A He asked me if I thought I could handle it, and I agreed. And would I agree to handle it; yes, I would. And he then said he would call Mrs. North to make--to identify me and make arrangements for a meeting with Mrs. North.

Q And did he call Mrs. North while you were at his office?

A Yes.

Q What did you do after General Secord called Mrs. North?

A I then called Mrs. North, it seems to me within 45 minutes later to identify myself and get an agreed time for a meeting with her.

Q And what was said in you [illegible]ephone conversation with Mrs. North?

A I identified myself by name telling her that I think she had recently heard from General Secord and that I was coming out there to look at her property, the possibility of implementing some security procedures to protect the family.

Q And what was her reaction?

A Very brief, but yes, and she would meet me the next day. And we agreed on a time.

MR. BARBADORO: Off the record.

[Off the record.]

BY MR. BARBADORO:

Q Mr. Robinette, when did you go out to the North residence?

A I went out the next day, April 30th.

Q What did you do when you got out to the residence?

A Met with Mrs. North, introduced myself and briefly asked her a few questions about what had happened out there, specifically about the lights that were shining from the house--shining from the road. And asked her permission to walk around the house and the property.

Q In general terms can you describe the North residence, the property and the area in which the residence is situated?

A It's located in Great Falls, Virginia. It's a two-story house situated in the middle of a plot of ground with houses on each side and a woods to the rear. There's a fence enclosing all the property. Not a secure fence, just simply a fence to keep the animals from getting out. They had two horses at that time.

Had a built-in garage. Fairly rural area, wasn't well traveled out there.

Q How big is the lot?

pb17

UNCLASSIFIED

A I'm going to say an acre. I'm guessing on that.

Q How far back is the house from the street?

A The roadway--let's see, the house sits back off the public highway about 250 feet.

Q And how far away are the houses on either side of the North house?

A Probably an equal distance of 200 to 250 feet.

Q Tell me what happened once you got inside the house?

A During this visit?

Q Yes.

A I commented that I spoke to Mrs. North. She described to me that--in response to my questions she described that, yes, she had experienced on several occasions lights--someone stopping on [redacted] road [redacted] and flashing lights [redacted]ouse at night. Colonel North was not home and it certainly frightened her.

I can't recall at the moment whether it also occurred when Colonel North was home. But she did describe in response to my questions that Colonel North didn't usually arrive until around midnight every night at which time she fixed him dinner. But there had been occasions--in addition, there had been occasions with threatening phone calls. She made no reference to the flattened tires or the sugar in the gas tank.

UNCLASSIFIED

Q After speaking with Mrs. North, did you walk around

BEST AVAILABLE COPY

the house?

A Yes, I did.

Q And after looking at the house and speaking to Mrs. North did you draw any conclusions about the kind of security system you would need to install at the house?

A Yes, I did. It didn't take too long because it's a fairly standard residence, and it became quite obvious that security at the house would be difficult because of the family lifestyle; four children and two horses and dogs and cats.

Q What effect did the fact that he had children, dogs and cats have on the kind of security system that you planned to install?

A Well, if you were concerned about someone entering into the property within the house at night and you had the security system on, you would normally have some sort of IR beams, intrusion alarms that would go off, would be alerted. But the best you can do under the circumstances with children running around at night and dogs and cats is to simply wire the doors and the windows with the hope that the system would be turned on and that if someone forced their way through the window or the door, at that time an alarm would go off.

Q Is it safe to say that because of the animals and the children you felt that a passive system rather than an active system involving motion detectors and infrared beams

UNCLASSIFIED

would be required for the house?

A Yes. I felt also that Mrs. North, who appeared to be extremely concerned about her children, would be able to carry a portable transmitter, something very small that as she walked through the home or out in the back of the property that if she was accosted or alarmed at some point that she could press this wireless transmitter which in turn would automatically set off an alarm.

Q Did you describe for Mrs. North the kind of security system you were thinking about?

A I probably touched on it, but I perceived that she wasn't personally interested in the details. I think she would be more responsive to simply knowing that a system existed.

Q What else happened at your visit to the North residence?

A That's about the extent of it. I think I left after about 45 minutes.

Q Did you on a later date meet with Colonel North to discuss the security system?

A Yes, I did.

Q And from your calendars can you determine when that meeting occurred?

A Yes, I can.

Q When was that?

UNCLASSIFIED

A That was on May 5th, 1986.

Q How did that meeting come about?

A I believe between May 5th and the time that I'd been to General Secord's I reported back to him that I'd made the visit and I had a general idea what I thought would be useful, but it was necessary in my experience, that the user know what was contemplated. And I suggested that General Secord either tell Colonel North that which I would tell him, or General Secord and I meet Colonel North.

And on the 5th of May, General Secord and I did go to Colonel North's office at 7:00 or 7:30 that night.

Q Was it General Secord who arranged the meeting with Colonel North?

A Yes, he did.

Q The meeting occurred at 7:30 on May 5th?

A Yes, it did.

Q And it was at Colonel North's office, correct?

A Yes, in the Old Executive Office Building.

Q And you went to the meeting with General Secord?

A Yes.

Q Who else was present in Colonel North's office when you got there?

A When we walked in, I believe Fawn Hall was there in the outer office. And then General Secord and I walked into the inner office, which I recall was to the right of the

UNCLASSIFIED

outer office. And we sat down, and that's the only person I recall seeing at that time.

Q What happened at the meeting?

A The meeting was brief. I think it took about 30 minutes and told--General Secord introduced me to Colonel North, told him that I was the man that had surveyed the property and--had surveyed Colonel North's property and that I had some proposals for equipment that I wanted to discuss with him, with Colonel North.

Q What happened then?

A I summarized very quickly what I thought would be useful considering the family lifestyle that they had. And in addition, I suggested that if he concurred that I would also attempt to put in a visual surveillance system of the mailbox in an attempt to--the mailbox and the mailbox area in an attempt to identify who was leaving the packages at night and perhaps who was pausing on the highway to shine lights.

Q What kind of visual surveillance system did you have in mind?

A At that time it was either going to be a still camera that would be operated electronically each time the mailbox was opened, or it would be a wireless video camera. In either case, both would maintain a record of who stopped or who opened the mailbox door.

UNCLASSIFIED

I had some tentative plans for maybe having it also be operated from the house, but that was tentative because I didn't think that either Mrs. North or Colonel North would be able to turn on the camera in times of emergency.

Q What happened after you described the kind of system you had in mind to Colonel North?

A He said, okay, that sounds good. Let's get together when you have more firm--when you've formulated your plan.

Q As of May 5th, had you contacted any contractors about installing this system?

A I think I contacted more than one. But there was really one firm here in the Washington area that I had previous experience with and knew the personnel as being extremely reliable. [redacted] And I felt that I wanted to use them because of their ability and reliability.

Q What is the name of that company?

A The name of the company is VATEC.

Q As of May 5, had you obtained an estimate of how much this security system was going to cost?

A No, I don't believe so because I hadn't--I don't believe so because I don't think I had firmed up in my mind just what I was going to have.

Q Was there any discussion at this meeting on May 5 about who was going to pay for the security system?

UNCLASSIFIED

A No, there was not.

Q Did General Secord say anything else at the meeting other than to introduce you to Colonel North and describe to Colonel North the fact that you were the one who was working on the security system for him?

A No, he did not.

Q Was anything else said at the meeting other than what you've described?

A Nothing that I can recollect.

Q When did you meet with Colonel North again?

A Let's see, that was on the 5th. I met with Colonel North on the 10th of May at approximately 10:30, Saturday.

MR. BARBADORO: Let's go off the record for a second.

[Discussion off the record.]

BY MR. BARBADORO:

Q Where did this meeting take place?

A It took place in General Secord's office in Virginia.

Q Who arranged this meeting?

A General Secord.

Q Was General Secord present at the meeting?

A Yes.

Q Was anyone else present, other than you and Colonel North and General Secord?

UNCLASSIFIED

A No.

Q What happened at this meeting?

A This was an opportunity for me to tell Colonel North, in more detail, just what I thought they should have at the house. And I, in turn, related what I thought they should have.

Q Could you describe for us, in general terms, what the system was that you had in mind?

A Yes, it's pretty much as I mentioned earlier. There would be -- the doors and the windows would be alarmed in case anyone attempted to force their way in there. There would be smoke and heat detectors. There would be the portable transmitter, one or two, which Mrs. North could carry around, and perhaps one of the older children, or even Colonel North.

There would be external lights shining on the property that would come on at night in the event of an alarm. I believe there was an audible alarm, I believe. I can't remember whether that was installed or not.

In addition, there would be an audible signal installed in one of the vehicles in the event that Mrs. North or one of the children was using the car and there was an attempt to kidnap them or force them off the road, I felt that a loud sounding siren or whistle would scare the people away.

UNCLASSIFIED

Also, there would be a radio control system at the front gate so that when Mrs. North came in or went out, the gate would always be closed and she or anyone else, with these two transmitters, could open the gate without having to get out of the car. They would always be in the car.

And lastly, there was a discussion at that time, that I was still looking into a video type, or pictorial type of coverage of the gate and the mailbox. I hadn't really defined that at that time.

I also described, lastly, that this whole system would be connected to a central station alarm company that would receive signals 24 hours a day, every day of the year, and that when an alarm was received they would contact the authorities to send them out.

Q So the way the system would work is that if the alarm went off in the house, it would also ring at this company who could notify the police, correct?

A Correct.

Q At this point, you were planning to have VATEC install the entire system, correct?

A Yes, I was.

Q Had you obtained an estimate from them as of May 10, as to how much this system was going to cost?

A I don't believe so. I think it was shortly thereafter, very shortly thereafter.

UNCLASSIFIED

Q From your own experience, in working in this area, did you have a rough idea as to how much you thought the system would cost?

A I thought the system would be about $10,000 to $12,000.

Q Let me ask you, was there any discussion of how much the system would cost, at this meeting on May 10?

A Yes, there was.

Q Could you describe that discussion?

A Yes, I don't recall who instigated the question or the subject of the money, whether it was Colonel North or myself, but the result was that Colonel North commented that he'd like to keep the price between $8,000, $8,500, that he was a poor colonel and he wanted to try to keep it around that figure.

Q Mr. Robinette, was it you who first raised the figure of $8,000 to $10,000, or was it Colonel North?

A I think it was Colonel North.

MR. BARBADORO: Let's go off the record for a second.

[Discussion off the record.]

[The reporter read the record as requested.]

BY MR. BARBADORO:

Q Mr. Robinette, during the break, you've had a chance to speak to your counsel. Do you now wish to correct an answer that you had earlier given?

UNCLASSIFIED

A Yes, I do.

Q Please go ahead.

A We were discussing the approximate costs of the system. It's my recollection that I stated the cost would be around $8,000 to $8,500 and, in response to that, Colonel North said fine, keep it around there, I'm on a poor colonel's pay.

Q Let me just make sure I understand your testimony then. Earlier, I asked you if you had a rough estimate of the cost of this system, and you answered between $8,000 and -- between $10,000 and $12,000, excuse me. Do you want to correct that answer as well, or do you want to stand by that answer?

[Counsel and witness conferring.]

THE WITNESS: At the time, we're talking now of Saturday the 10th of May, the figure that I quoted was $8,000 to $8,500.

BY MR. BARBADORO:

Q The figure that you quoted to Colonel North?

A Yes, to Colonel North, yes.

Q My question then is if you thought it was going to cost between $10,000 and $12,000, why did you quote to Colonel North a figure between $8,000 and $8,500?

A There was some debate in my mind about this monitoring system, which may or may not be used at that gate. I didn't think I'd ultimately use it.

UNCLASSIFIED

Q So you decided to give Colonel North an estimate in the low range of what you thought the system would cost?

A I felt if we implemented the security system as I had described, I didn't think we'd really need the video system.

Q The second point of clarification, at this meeting on May 10, who was it that raised the question of how much the system would cost? Was it you, or did Colonel North ask you about How much it would cost?

A I think it was me.

Q And when you said that you thought the system would cost between $8,000 and $8,500, what was Colonel North's reaction?

A He stated, as I had said a few moments ago, okay keep it around that figure, I'm on a poor colonel's pay.

Q What else happened at that meeting?

A That's about the extent of it. It was a very short meeting. I got the impression that Colonel North and General Secord were meeting for other reasons and my participation was really very small.

Q Did there come a time when you made a down payment to VATEC for the security system?

A Yes, that's correct.

Q Take a look at Exhibit 3, which is a check from you to VATEC in the amount of $6,000.

A Thank you.

Q Do you recognize that check?

A Yes, I do.

Q Is that the down payment that you made to VATEC?

A Yes, it is.

Q That check is dated May 19, 1986. Is that the date that you made out that check?

A Yes, it is.

Q What did you do with the check after you made it out?

A I believe I personally gave it to a representative of VATEC, who came to my home.

Q Had work started on the system as of that date, or was that down payment required before work was to begin?

A As I recall, I don't think work had actually started. I had made a trip or two back out to Mrs. North's but no, I don't think work had started.

As I recall, they wouldn't start the work until they had -- they couldn't order the equipment until they had money.

Q When you made out this check to VATEC, you were using your own funds, correct?

A I was using my checking -- yes.

Q Did you subsequently look to someone for reimbursement for this down payment?

A Yes, I did.

Q Who did you look to for reimbursement?

A General Secord.

Q When was that?

A Either on that day, the 19th, or on the 20th.

Q Did you go to General Secord's office to get the reimbursement?

A Yes, I did.

Q How much did you ask General Secord for?

A To my recollection, it was $7,000.

Q Why did you ask him for $7,000, in view of the fact that the down payment you made was for $6,000?

A The additional $1,000 was for expenses that I had incurred in looking into this system.

Q Is it fair to characterize that $1,000 as part of your fee for the work you had done in connection with the security system?

A I think so.

Q When you asked General Secord for the money, did he give it to you?

A Yes.

Q Did he pay you by check or in cash?

A He gave me cash.

Q Where was he when he gave you the cash?

A I believe he was in his office, in his suite.

Q Where did he get the cash from?

A I don't know where he got the cash from. To my recollection, I was sitting at a desk, sitting at his desk, sitting in front of his desk, and he leaned down and either took it from a drawer or took it from a case.

Q Did he count the money before he gave it to you?

A I don't recall.

Q What was the denominations of the bills that he paid you in?

A I can't actually recall today.

Q Did General Secord express any surprise when you went to him for reimbursement for this security system?

A No, he did not.

Q [redacted] had any previous discussions with General Secord about the fact that General Secord was going to pay for this ~~season?~~ system?

A No, I did not.

Q Why did you look to General Secord, rather than to Colonel North, for this payment?

A I was working for General Secord. He was the one, in my opinion, that had assigned me the task and that was the natural -- in my opinion, that was the natural place to go.

Q So even though you installed the system at Colonel North's house, you looked to General Secord for payment because he was the one that had hired you to install the

BEST AVAILABLE COPY

system, correct?

A I did. I did, yes.

Q What did you do with this cash that General Secord gave you on either the 19th or the 20th of May?

A I took it home.

Q I want to show you Exhibit 4-A and 4-B. Exhibit 4-A is your bank statement for the month of May and Exhibit 4-B is a deposit slip.

Exhibit 4-A, the bank statement, reflects that there was a deposit to your account of $7,000 on May 20. Is that the deposit you made with the cash that General Secord paid you?

A Yes, it is.

Q Exhibit 4-B is a deposit slip in the amount of $7,000. Is that also the deposit slip for the $7,000 deposit that you made with the money General Secord gave you?

A I'm sure it is.

Q When you went to General Secord, to seek reimbursement for this down payment, did General Secord say anything to you, that you should go to Colonel North and ask him for the money?

A No, he did not.

Q And General Secord never said anything to you about him getting the money from Colonel North to pay you, did he?

A No, General Secord had never said anything to me about doing that and, in fact, General Secord never told me that he, General Secord, would pay for the system.

Q And he never told you where the money was coming from, to pay for this system?

A No, he did not.

Q Is it fair to say that as of May 19, when you made this down payment to VATEC, that you were expecting that VATEC would be the sole contractor for this system?

A Yes, it was, at that date, yes.

Q At some point, did you make a decision to use another contractor for a portion of the system?

A Yes, I did.

Q What part of the system did you decide to give to another contractor?

A The remote control, the electronic gate.

Q What caused you to decide to give the electric gate contract to someone else?

A I thought that VATEC's proposed charges for the electronic gate were high and I also had some impression that maybe it was a type of installation that they weren't able to do easily and cheaply.

Q When did you first receive an ~~instrument~~ estimate from VATEC?

A I think I got a verbal estimate from them sometime in June, mid-June, early June.

Q Wouldn't you have received an estimate from them prior to making the down payment on May 19?

A Probably, yes.

Q Do you recall what that estimate was?

A I believe it was around 11-something, 12-something.

Q Did that first estimate you got from them include the electric gate?

A I don't recall right now.

MR. TUOHEY: Excuse me.

[Witness and counsel conferring.]

[Discussion off the record.]

[The reporter read the record as requested.]

BY MR. BARBADORO:

Q Mr. Robinette, I had asked you if that first estimate you got included the electric gate. Your answer was that you couldn't recall. Have you had a chance to think about that answer?

A Yes, I have. That was a verbal estimate that was given to me by a member of VATEC.

Q Did it include the electric gate?

A Yes, it did.

Q It's fair to say that the estimate would have been substantially higher than $11,000 if it included the gate?

A Yes, it would.

UNCLASSIFIED

Q When did the installation of this system begin and when was it completed, approximately?

A It started sometime in May and ended in early July.

Q The dates you gave me, does that include the installation of the electric gate by the other contractor?

A Yes, it does.

Q What is the name of the contractor that installed the electric gate?

A I think it's Automatic Gate.

Q Did Automatic Gate require a down payment before they installed the system?

A No, I don't believe they did.

Q Did there come a time when you made final payment to VATEC and also final payment ~~for~~ to the automatic door company, for the work that that was done for you?

A Yes, there did.

Q In looking at your calendars, can you determine when it was that you made that final payment?

A Yes, I can.

Q When was that?

A July 10, 1986.

Q Can you describe the circumstances in which you made these payments?

A Yes, I spoke to both contractors, who agreed to meet me at noon at a restaurant in Silver Spring and I timed it so that I would meet one contractor at one point and the other contractor at a second point, so that there wouldn't be any meeting of the two contractors.

Q How did you plan to pay them, by check or with cash?

A No, I was going to pay them with cash.

Q Where did you get the cash from, to pay them?

A Cash that I had accumulated and kept in my home.

Q Please take a look at Exhibit 5-A, which is an invoice from the VATEC Corporation. Have you seen that exhibit before?

A I've seen it recently. It was shown to me.

Q That is an invoice for the security system that was installed at the North residence, correct?

A That's correct.

Q In the upper right-hand corner, it bears an address of [redacted] property and that's the North residence, correct?

A That's correct.

Q It also says payment received 7-10-86. Is that the date that you made final payment to VATEC for the work done on the system?

A Yes, it is.

Q By looking at the invoice, can you tell the amount of the payment that you made on July 10?

A Yes, I can.

Q What is the amount that you paid VATEC on that day?

A $5,703.

UNCLASSIFIED

Q You had earlier made a down payment of $6,000, correct?

A Yes.

Q So what was the total amount that you paid VATEC for the work that they did at the North property?

A $11,703.

Q Please take a look at Exhibit 6-C, which is an invoice from Automatic Door Specialists. Have you seen that before?

A Yes.

Q That invoice is for work that Automatic Door did for you installing the electric gate at the North property, correct?

A That's correct.

Q And that invoice reflects that that work was done at the North residence, correct?

A That's correct.

Q It also states that payment was made on July 10, 1985, correct?

A That's correct.

Q Is that when you paid Automatic Door?

A That's correct.

Q How much did you pay them for the work they did?

A $2,173.

Q You paid them in cash at the restaurant on July 10,

UNCLASSIFIED

correct?

A Yes, I did.

Q So if you paid VATEC $11,703 and you paid Automatic Door Specialist $2,154, the total cost of the installation of the system was $13,857. Does that sound right to you?

A I accept your addition.

Q In any event, it's approximately $14,000?

A Yes, it is.

Q Mr. Robinette, you testified that you used your own funds to make these cash payments on July 10, 1986?

A Yes, I did.

Q Did you subsequently seek reimbursements from somebody for these funds?

A Yes, I did.

Q Who did you go to for reimbursement?

A General Secord.

Q On July 10, you paid approximately $7,800 to these two contractors. How much money did you seek from General Secord?

A Subsequent to this date, I asked him for approximately $9,000.

Q Why did you ask him for $9,000 when your payments to the contractors were $7,800?

A My expenses, gas, time, telephone.

Q Your fee and your expenses?

UNCLASSIFIED

A Yes.

[Counsel and witness conferring.]

BY MR. BARBADORO:

Q How long after July 10, 1986 did you go to General Secord and ask him for reimbursement?

A I don't recall the exact date.

Q Do you remember when it was that you got paid?

A I received a check.

Q In August, 1986? Does that sound right?

A Yes, if I saw the check, I'd probably recognize it.

MR. TUOHEY: Off the record.

[Discussion off the record.]

BY MR. BARBADORO:

Q Let me show you Exhibit 7-F, which is a cashier's check in the amount of $9,000?

A Yes.

Q Have you seen that before?

A Yes.

Q That check is made payable to you, correct?

A Yes, it is.

Q And it bears the notation that it is from CSF Investments, Limited?

A Yes, it does.

Q And the date of the check is August 20, 1986?

A August 20, 1986.

UNCLASSIFIED

Q Is that about the time that you received the check, sometime shortly after August 20, 1986?

A Yes, it is.

Q Is that the payment you received from General Secord?

A Yes, it is.

Q What did you do with that check?

A I put that in an account at Merrill Lynch.

Q Mr. Robinette, is Exhibit 7-F a copy of the check you received?

A Yes.

Q Does the back of the check bear your endorsement?

A Yes, it does.

Q And that's the check you received from General Secord for the reimbursement for the payments you made plus your fee for the security system, correct?

A Yes, it is.

Q Between the beginning of May and the time when the system was paid for, did you ever go to Colonel North and seek reimbursement from him?

A No, I did not.

Q Did you ever send Colonel North a bill for any of the work you had done on the security system during this time period?

A No, I did not.

Q Did General Secord say anything to you, during this time period, that suggested that he was obtaining the money he was paying you from Colonel North?

A No, he did not.

MR. BARBADORO: Let's go off the record for a second.

[Discussion off the record.]

BY MR. BARBADORO:

Q Mr. Robinette, do you recall making any other payments in connection with the security system?

A Yes, I do.

Q What payments did you make?

A I had to pay the Central Station Alarm Company and I had to pay VATEC for electrical work that was done.

Q How much did you pay the alarm company?

A I believe it was $90.

Q What was that payment for?

A Services for, I believe, a six month period.

Q What were the payments and how much did you pay VATEC?

A I paid VATEC the $90.

Q And they forwarded it to the security system?

A Yes.

Q You also mentioned making other payments to VATEC.

A Yes, I paid VATEC $140 to go fix, repair that electric gate. It was faulty and the company would not acknowledge that it was their problem.

Q Did you seek reimbursement from anybody for these payments?

A No, I did not.

Q Why not?

A I don't recall why. It was a small amount and I just felt that I had been paid for it.

Q I want to move ahead to November of 1986 and ask you about a date that's now familiar to everybody, November 25, 1986. That was the date that Attorney General Meese held his press conference and announced that the funds from the Iran arms sales were diverted to the Contras and also announced that Colonel North had been removed from the National Security Council staff.

Let me ask you, where were you on November 25, 1986?

A I was in Costa Rica.

Q What were you doing there?

A Doing some -- continuing with my work with General Secord on research investigation.

Q When did you return to the United States?

A November 29, 1986.

UNCLASSIFIED

Q At some point in December, after you returned from Costa Rica, did you receive a telephone call from Colonel

UNCLASSIFIED

North?

A Yes, I did.

Q When did you receive that phone call?

A My recollection is not -- it seems to me it was shortly thereafter.

Q Are you reasonably certain that it was sometime in December, before Christmas?

A Yes, very much so.

Q What did Colonel North say to you, in this phone call?

A We passed the time of day for a moment or two and said that -- he mentioned to me that I had not sent him a bill for the --

Q Give me his exact words, if you can?

MR. TUOHEY: On that particular issue?

BY MR. BARBADORO:

Q On that issue.

A To my recollection, it was something along the lines of a very friendly comment, like hey, you know you haven't sent me a bill for that work, security work that you did at my house. How about sending me the bill?

Q What was your response?

A I said yes, I would.

UNCLASSIFIED

Q What was the tone of his voice?

A He was very friendly, I thought in a good frame of mind, considering that at that period of time he was having what I considered major personal difficulties.

Q At the time you received this call, you knew that Colonel North had been removed from the National Security Council staff, correct?

A Yes, I did.

Q And you knew that he had hired a lawyer?

A Yes, I did.

Q You also knew that he was being investigated by the FBI, correct?

A I assumed he was being investigated by not only the FBI but a number of federal agencies.

Q When he called you in December and asked you to send him a bill for the work you had done, did you expect him to pay you for the work?

A I didn't really know, but I doubt it.

Q You knew that you had already been paid for the work by General Secord, correct?

A Yes.

Q Were you surprised that he called you in December, several months after the work had been completed, and for the first time asked you for a bill?

A Yes, I think I was surprised.

UNCLASSIFIED

Q It's fair to say, Mr. Robinette, that you knew why he was asking you for this bill, correct?

A I think so.

Q And he was asking for this bill to cover himself because he was under investigation by the FBI and other federal agencies, wasn't he?

A Yes, he was.

MR. BARBADORO: Let me just go off the record.

[Discussion off the record.]

[The reporter read the record as requested.]

BY MR. BARBADORO:

Q Mr. Robinette, did you think that Colonel North was asking you for a bill because he wanted to pay you the money that he owed you for the security system?

A No, I didn't.

Q Isn't it true that you thought, at the time, that Mr. North was asking for a bill because he wanted to cover himself because of the federal investigation that was then ongoing, correct?

A I can't respond exactly to Colonel North's thinking, but I think he felt that possession of a bill would be helpful to him.

Q I'm really interested here, not in Colonel North's state of mind, but in your state of mind. Your state of mind was you assumed that you were being asked to provide a bill that could be used to cover the installation of the security system, correct?

A Yes.

MR. BALLEN: Why did you assume that?

THE WITNESS: Because he had not been billed.

BY MR. BARBADORO:

Q Isn't it true there are several reasons why you assumed it? You assumed it because the system had been installed months ago and Colonel North hadn't come to you at the time and requested a bill, correct?

A Correct.

Q You also assumed it because you had sought and obtained payment from General Secord for the system, correct?

A Correct.

Q And you also thought it was true because of the circumstances at the time, where Colonel North was under investigation when he asked you for the bill, correct?

A Correct.

MR. TUOHEY: Off the record.

[Discussion off the record.]

BY MR. BARBADORO:

Q After you received this phone call from Colonel North, what did you do?

A I typed up an invoice, probably within several days, within one to two days of his phone call and mailed it.

Q Mr. Robinette, let me show you Exhibits 9-A and 9-B.

A Yes, I have them.

Q Are those invoices that you prepared after this December phone call with Colonel North and then sent to Colonel North?

A Yes, they are.

MR. TUOHEY: Paul, I'm not nit-picking, but he prepared an invoice, xeroxed it, and then typed a note.

BY MR. BARBADORO:

Q Exhibit 9-A is an invoice dated July 2, 1986, addressed to Colonel North for the security system in the amount of $8,000, correct?

A That's correct.

Q And Exhibit 9-B is a copy of that invoice with an additional note written on the bottom, dated September 22, 1986, correct?

A That's correct.

Q Is it fair to characterize Exhibit 9-A as a first notice and Exhibit 9-B as what is intended to be as a second notice?

A That's correct.

Q Mr. Robinette, did Colonel North ask you to send him a bill or did he ask you to send him copies of bill?

A In my recollection, he said send me a bill.

Q What you sent to Colonel North, however, was a bill dated July 2, 1986 and a second notice which was the original bill with an additional note dated September 22 typed on it, correct?

A That's correct.

Q Why did you send him a first and second notice, instead of just sending him a bill?

A I selected the dates because the first date of 2 July was approximately when the equipment was -- the installation was completely finished. And the second date of 22 September was when the installation was working satisfactorily.

Q Mr. Robinette, my question is what was your purpose in sending him these two pieces of paper?

A To help him, to assist him.

Q In what way?

A Because he hadn't been billed.

Q Again, you weren't expecting Mr. North to pay you for this system, correct?

A No, I was not.

Q And there was a reason why you sent him a first notice dated July 2 and a second notice dated September 22, wasn't there?

A Yes.

Q Tell me what that reason was?

A I responded in response to his request and those were the dates that I felt represented the true status of the equipment for the installation.

Q Wasn't it your purpose to provide him with a plausible explanation as to why he hadn't paid you as of December, 1986?

A I don't think so, but it was to provide him with documentation.

Q Exhibit 9-B, the note that you wrote and dated September 22, 1986, says "Ollie, due to my schedule, I have not found time to follow up on my paperwork. As you can see from the dates, I'm sure that you have had the same problem. Please remit when you have time."

When you said I have not found time to follow up on my paperwork, that wasn't correct, was it?

A No.

Q That was a deliberate misstatement?

A Yes.

Q What was the purpose in making that deliberate misstatement?

MR. TUOHEY: Do you understand the question?

THE WITNESS: I think so.

MR. TUOHEY: Excuse me.

[Witness and counsel conferring.]

MR. TUOHEY: Can we take a break?

[Recess.]

BY MR. BARBADORO:

Q Mr. Robinette, I'm going to ask you some questions

UNCLASSIFIED

about these two exhibits, some of which I've asked you before, but I'm going to try to put it all together here.

Let's start with Exhibit 9-A. Exhibit 9-A is an invoice dated July 2, 1986, correct?

A That's correct.

Q Mr. Robinette, you did not prepare this invoice on July 2, 1986, did you?

A No, I didn't.

Q You prepared it in December of 1986, correct?

A That's correct.

Q The invoice states that it is for the installation of the security system that you installed at Colonel North's house, correct?

A That's correct.

Q The amount that you are billing Colonel North is $8,000. That amount is not what the system cost, correct?

A That's correct.

Q That amount is an incorrect statement of what the system costs, right?

A That's correct.

Q I want to turn to Exhibit 9-B, which is a copy of 9-A except for a note on the bottom, dated September 22. That date is incorrect, isn't it? You didn't prepare that note on September 22, did you?

A That's correct.

UNCLASSIFIED

Q You prepared that note in December, didn't you?

A That's correct.

Q Indeed, you prepared the note at the same time you prepared the first exhibit, dated July 2, 1986, didn't you?

A That's correct.

Q So that date is false, right?

A That's correct.

Q In the note, you say "due to my schedule, I have not found time to follow up on my paperwork." When you said that, that was not true, was it?

A That's correct.

Q When you mailed these bills to Colonel North, you mailed them at the same time, didn't you?

A That's correct.

Q When you mailed them to him, did you mail originals or copies? You mailed copies, didn't you?

A Yes, I believe so.

Q Can you explain why you made all these misstatements in these two exhibits and why you mailed copies to Colonel North, rather than original bills?

A At that period of time, Colonel North was in what I considered a great deal of -- having experienced a great deal of problems and troubles and I thought that documents --

[Telephone ringing.]

UNCLASSIFIED

[The reporter read the record as requested.]

THE WITNESS: And I thought that possession of these documents would be helpful to him.

BY MR. BARBADORO:

Q How did you think the possession of these documents would be helpful to him?

A Colonel North had not been billed for the system and had not paid for the system. Possession of these documents would indicate that payments were expected.

Q It would give Colonel North a plausible explanation to anybody who might ask as to why he hadn't paid for that system himself?

A That's correct.

Q Did you hear from Colonel North after sending him these bills?

A I didn't hear from him by telephone but shortly thereafter I was surprised to receive two documents from Colonel North, in response to these bills.

Q Take a look at Exhibit 10-A and 10-B.

A Yes, I have them.

Q Are those the letters you received from Colonel North in response to the bills you sent him?

A Yes, they are.

Q How long after you sent him the bills did you get these responses?

A I'm only able to guess, but I'd say within a week.

Q Did they come together or did they come separately?

A They came together.

Q Do you recall whether you received originals or copies?

A I think I got copies.

Q Before I get into these, I want to just go back to the two bills you sent. Can you describe how you sent these to Colonel North, the two bills, Exhibits 9-A and 9-B?

A How I mailed them?

Q Yes.

A Yes.

Q Please do that.

A I mailed them to Colonel North's attorney. I selected the attorney's address rather than his home address because I didn't think he's get them. I knew his attorney, knew of his attorney, his name had been in the paper and I knew the office and the location.

Q Did you double seal the bills?

A Yes, I did.

Q So that the outside envelope was addressed to the attorney and the inside envelope was addressed to Colonel North, correct?

A That's correct.

Q Back to the responses that you got from Colonel North, the first one, Exhibit 10-A is a letter to you from

Colonel North dated May 18, 1986. Did you ever receive this letter from Colonel North on or about May 18, 1986?

A No, I did not.

Q So the first time you ever saw this letter was in December, 1986, correct?

A That's correct.

Q The second letter is again from Colonel North to you and is dated October 1, 1986. Did you ever receive this letter on or about October 1, 1986?

A No, I did not.

Q The first time you saw this letter was in December, when Colonel North sent it to you?

A That's correct.

Q I want to read from the second paragraph of Exhibit 10-A and that paragraph begins "It is my understanding that the full system will cost approximately $8,000 to $8,500." Mr. Robinette, did you give Mr. North that understanding in May of 1986, that the security system would cost between $8,000 and $8,500?

A Yes, I did.

Q I will continue, "That it can be installed quickly" did you give Mr. North, and I'm asking you did you give Mr. North the impression that the system could be installed quickly in May of 1986?

A I believe so.

Q I will continue reading, "And that we have two options for reimbursing you for the expenses: one, loan of the equipment for a period not to exceed the expiration of my active service in the United States Marine Corps (June 1988). At that time, we will make our home available for commercial endorsement of your firm and the equipment, without fee."

Did you ever present Colonel North with this option?

A No.

Q You never offered to loan him the security equipment until he ended his active service with the Marine Corps, did you?

A No, sir, I did not.

Q And he, in turn, never offered to make his home available for commercial endorsement of your firm and the equipment without a fee?

A No.

Q The second option he describes in the letter states that he will "make payment in full for the equipment and the cost of installation in 24 equal monthly increments, commencing on the date that the installation is completed and fully operational."

Did Colonel North ever offer to make payment for the system in 24 monthly payments?

A No, he did not.

Q In fact, he never offered to pay you for the

UNCLASSIFIED

installation of the system, isn't that right?

A That's correct.

Q I will turn to the second letter, GR-10-B and read from the third paragraph of that letter. Colonel North says to you, "Back to the point, your note of September 22, it was our understanding that we were going to go ahead with the first option for first reimbursement, that is commercial endorsement of your company and the equipment when I retire from the Marine Corps in 1988."

You've already testified that you never offered Colonel North that option. Is that right?

A That's correct.

Q So you never had agreed with Colonel North that he could have the system in exchange for him making some kind of commercial endorsement of the company and the equipment when he retired from the Marine Corps?

A That's correct.

Q At the bottom of the note, what is apparently in Colonel North's handwriting is the P.S. "Please forgive the type, I literally dropped the ball." Do you know why he added that note to the letter?

A I have no idea.

UNCLASSIFIED

Q The typeface is a little bit different on this letter than it is on the letter dated May 18, 1986. Do you know why the typeface appears to be different?

A No, I do not.

MR. TUOHEY: Off the record.

[Discussion off the record.]

BY MR. BARBADORO:

Q What did you do with these letters after you received, Mr. Robinette?

A I just--these two letters from Colonel North?

Q Yes.

A Came as quite a surprise and I just threw them in my drawer, file drawer.

Q Did you ever tell General Secord that you had sent bills to Colonel North and that you had received some letters back from Colonel North?

A Yes, I did.

Q When was that?

A Sometime in this same time period of December.

Q What was General Secord's reaction?

A Very noncommittal. Just simply yes, okay.

Q Did General Secord express any surprise that you were sending Colonel North a bill in view of the fact that General Secord had already paid for the security system?

A No.

Q Did he tell you it was wrong to send Colonel North a bill?

A No, he did not.

UNCLASSIFIED

Q When was the next time you spoke with Colonel North?

A I believe March 16th, 1987.

Q And that's when he telephoned you, correct?

A That's correct.

Q And what did he say in that phone conversation?

A Said he hadn't seen me in some time and let's get together for lunch. I had suggested a commercial restaurant downtown and he said, no, that wasn't a good idea because of the publicity about him, and he suggested his attorney's office the next day.

Q And did you agree to meet him?

A Yes, I did.

Q Did you also hear from--strike that.

Before going to lunch on the 17th of March with Colonel North, did you hear from General Secord?

A Yes, I did.

Q And he called you as well, correct?

A Yes, he did.

Q What did General Secord say to you?

A He called in regard to a newspaper article that had been published that day.

Q Tell us what the newspaper article was about.

A It was in regard to the security installation at Colonel North's residence that I had participated in and made reference to an interview, television interview that I had

UNCLASSIFIED

had. General Secord commiserated with me. He said sorry that I was involved and getting notoriety, and wanted to get together to talk. I told him that I was coming downtown that day the 17th, March 17th to meet Colonel North and he suggested meeting a time right after that.

Q What happened when you got to Colonel North's lawyer's office that afternoon?

A The day before Colonel North had asked me to lunch and also to bring the documents which I then had in my possession.

Q So in his telephone conversation with you on the 16th, Colonel North asked you to come to lunch at his attorney's office and he asked you to bring with you the bills and the letters concerning the security system, correct?

A That's correct.

Q Now please continue and describe what happened when you got to lunch.

A I met in a conference of--his lawyer's conference room. It was a very brief luncheon, very brief meeting of about 40 minutes. We discussed the family, his children. He made two telephone calls. And then asked if I had the--if I had brought the documents with me. I said, yes. He said, let's go upstairs to see my attorney.

Q And which attorney did you go up to see?

A A gentleman named Barry Simon.

UNCLASSIFIED

Q And what happened when you got to Mr. Simon's office?

A He introduced me to Mr. Simon and left; Colonel North left.

Q And tell us what happened when you met with Mr. Simon.

A Mr. Simon and I had a brief informal discussion about the building and security. And then Mr. Simon raised the question, did you bring some documents down. I said, yes. Can I see them? Yes, I showed them to him. He asked if he could make copies, and I said, certainly. He attempted to give them to his secretary who was not at the desk, and he went and made copies.

He returned shortly thereafter--I'd say within three to four minutes--returned my copies to me and had his copies in hand. He sat down and glanced at them and said something along the lines, you did prepare these, or you prepared these, correct? And I said, that's right.

And that was about--and just about at that time Colonel North came back into the office. I perceived the meeting was over and Colonel North took me back out of the office to leave.

Q Where did you go after leaving the attorney's office?

A I then went over to meet General Secord at the

UNCLASSIFIED

Capitol Hilton Hotel at 16th and K.

Q Did Colonel North come with you?

A No, he did not.

Q What happened when you got to the Capitol Hilton?

A I went in the bar. General Secord was not there. He did arrive within 10 minutes. We both had ordered drinks, or I had ordered a drink earlier. He ordered a drink. He commiserated again with me about the newspaper article expressing some sympathy that now my name was in the newspaper.

Q Did he say anything to you about the bills?

A Yes, he did.

Q What did he say?

A The subject of the bills came up and he said, well, you sent him bills, didn't you? And I said, yes. He said, well, fine, you don't have anything to worry about. You did right--you did the right thing.

Q What else was said at that meeting?

A That was about it. He appeared to be in a hurry and he left shortly thereafter.

Q Have you spoken to Colonel North since this meeting on the 17th?

A No.

Q Did you later get a call from his attorney Brendan Sullivan?

UNCLASSIFIED

A Yes.

Q When was that?

A That was on that same day. Later, almost within 15 minutes of Secord's leaving.

Q And what did Mr. Sullivan say to you?

MR. TUOHEY: Let me just interrupt, if I may, Paul. Just one thing. Just so it's clear, I think Glenn ought to describe the circumstances. My understanding is Sullivan didn't know where he was, and I don't want to be unfair to somebody.

MR. BARBADORO: Let's go through that.

THE WITNESS: But I do like the idea, did you get a call or I would have forgot.

BY MR. BARBADORO:

Q What were the circumstances under which you received this call from Mr. Sullivan?

A Shortly after General Secord left I received a call on my beeper. And my beeper is a display type which shows the number. And I called it and it was Brendan Sullivan's number who is Colonel North's attorney.

Q And what did Mr. Sullivan say to you?

A He might have commented about the newspaper article, just commiserating. But he said that he wanted me to--he wanted to tell me a couple of things, which he did. He said, don't cover for Colonel North, he's a big boy, or

UNCLASSIFIED

something to that effect, or he's a big man. And tell the truth. And the third was, he suggested I get an attorney.

MR. BARBADORO: Let's go off the record.

[Discussion off the record.]

MR. VAN CLEVE: Let the record reflect that we've reconvened and Mr. Ballen has stated that he does not have any questions for the witness at this time.

Mr. Robinette, I do have some questions.

EXAMINATION

BY MR. VAN CLEVE:

Q Let me start out by asking you, sir, today we did not go through the normal biographic details, but I want to have this fixed in my mind for other purposes.

How old are you?

A Sixty-five.

Q Okay. And you have been employed--you left the Central Intelligence Agency about how long ago?

A I left in 1971.

Q And have you had regular employment since then?

A No, I've worked part-time or self-employed.

Q And I believe you testified earlier today that you went to work for Richard Secord sometime in March of 1986?

A That's right.

Q Had you ever previously worked for Richard Secord?

A No.

UNCLASSIFIED

Q Or for Thomas Clines?

A No.

Q Or for Edwin Wilson?

A No.

Q Now I believe you also testified that you were paid a substantial part of your total compensation from Mr. Secord during 1986 was money you received in cash; is that correct?

A That's correct.

Q Would it be fair--this is just an estima~e and I don't want to hold you to this--but to say that it might have been as much as $25,000 in cash?

A Yes.

Q Possibly $35,000?

A Yes.

Q Had you, during your prior self-employment from 1971 through 1986, had you ever before been paid by a client in cash?

A No.

Q Whose idea was it that Mr. Secord would pay you a substantial part of your total compensation in cash?

A The subject was never discussed. I don't know. It must have been his idea, I guess.

Q Is it your testimony that it seemed natural to you to receive $35,000 in cash after having never been paid that way before?

A No, but I didn't question it.

Q You didn't ever ask to be paid in check?

A No, I didn't.

Q And you were never asked for a receipt of any kind by Mr. Secord?

A No, I was not.

Q And you have no written records of the amounts that you were paid; is that correct?

A No, I do not.

Q Now I believe you did testify that you received $16,000, a total of $16,000 in the form of checks during 1986; is that correct?

A Yes.

Q And was the sole purpose of those payments compensation for your fees and expenses in connection with your work for Mr. Secord?

MR. TUOHEY: Let me just correct something, George. There are two checks for five and one for six, which is 16. But there's also the check for nine. Did you clarify that they ~~for~~ were for work ~~were work~~ for Secord?

MR. VAN CLEVE: I'm sorry, perhaps I misspoke.

THE WITNESS: It's apples and oranges.

BY MR. VAN CLEVE:

Q Let me back up here. Exhibit 2 for the deposition contains three checks; one in the amount of $6,000 and two in

UNCLASSIFIED

the amount of $5,000 each. And my question was, is it your testimony that the sole purpose of those checks was to pay you for your fees and expenses on behalf of work you did for Mr. Secord?

A That's correct.

Q And that work was totally unrelated to the installation of a security system; is that correct?

A That's correct.

Q And I believe you testified previously that at some point in late April 1986 you were approached by Mr. Secord and asked whether or not you could help to provide a security system for Oliver North's home?

A That's correct.

Q And that you're not sure, if I understood your testimony correctly, whether or not the subject of terrorist threats against Colonel North came up at that time or later; is that correct?

A That's correct.

Q But it did come up at some point?

A Yes, it did.

Q Can you tell us what was said to you on the subject of terrorist threats against Colonel North?

A Yes. It was described to me--

Q Or his family.

UNCLASSIFIED

Q It was described to me that Colonel North had experienced a number of unusual circumstances at his house and that he was concerned for himself and his family. Specifically the name of Abu Nidal was mentioned as a principal terrorist who represented a threat to Colonel North. And that since the North residence was frequently--since Colonel North was not at the North residence frequently, he wanted some kind of protection for his family.

Q Were you ever given any specific information about the nature of these threats or the reasons why--you're a former Central Intelligence Agency officer. Were you ever told what type of information might have supported the idea that there were threats being made?

A No.

Q Were you ever told anything else about that subject?

A No.

Q Were you told that at one point there had been guards posted at the North home?

A Yes, I was.

Q And will you tell us what you were told on that subject, please?

A Yes, I believe Colonel North told me at one of those meetings; early meetings that there had been two guards stationed or assigned to his residence and that they stayed in the built-in garage area. And that his experience with them was not satisfactory.

Q From what you were told, were you able to determine whether these guards were private guards hired by the Norths or guards provided by the federal government?

A No, I was never told that.

Q And were you told about what time the guards had been stationed there? Would it have been about this same period of time?

A I'm gathering it was prior to my entrance on the scene.

Q But in the recent past previous to that?

A In the recent prior time.

Q You were told that the experience that they'd had with the guards had been unsatisfactory?

A Yes.

Q Was that suggested to you as a reason why they needed a security system?

A No.

Q To replace the guards?

A No, I don't think so. No, it was not suggested to me.

Q Were you told at that time--this would be in the spring of 1986--that at one point Colonel North's family had actually physically been removed from their home in response to earlier threats that had been made?

A Not that I recollect.

UNCLASSIFIED

Q Now when you set out to design the security system for the North home, this would have been probably in the beginning of May 1986?

A Correct.

Q Was the design a design that was left pretty much up to your expert judgment?

A Yes, it was.

Q And if I understood correctly, the basis of the design was an inspection of the North's home, together with your conversations with Mrs. North, together with conversations you had with Colonel North about what kind of security they were looking for; is that correct?

A That's correct.

Q And I believe you told us earlier today that when you met with Mrs. North she described a variety of problems the family had had at home, that they had gotten packages of unknown origin, that there had been sugar put in gas tanks of cars that were 200 feet off the road and so on. Does any of this sort of thing, based on your professional experience, sound the like the kinds of things that terrorists do?

A No.

Q Does it sound like vandalism?

A Yes.

UNCLASSIFIED

Q Now the security system that you designed, was it designed to protect against vandals or was it designed to protect against terrorists?

A It's primary value would be against vandalism, but I would hope it would be a deterrent in some way to terrorists who might attempt to force their way into the house, at least she would get an alarm.

Q But would a--

A And she could, of course, then easily alert help with the built-in system.

Q I know this is a difficult question, but in terms of a private home, protecting a private home against a potential terrorist attack with limited resources available, would the kind of system that you put in have provided reasonable protection?

A Against terrorists?

Q Against that kind of an attack?

A It would give them some prior notice, prior alert that someone was forcing their way into the house, whether it was a terrorist or a good guy or a bad guy. It's just simply a--perhaps it was something to help Mrs. North's peace of mind. But as you know, protecting against terrorists is a very difficult job. Certainly the U.S. government has a [illegible]r of sad experiences.

Q Sure. Let me sharpen this question a little bit. Obviously, the Norths did not have unlimited resources. They couldn't spend the kind of money that you would spend to protect the United States Capitol.

A Yes.

Q But taking that into account, were they receiving protection really against neighborhood vandals? Or weren't they receiving something considerably more sophisticated that would, in fact, allow some warning against a potential attack?

A The latter, yes, what you had described. Protect--some early warning against a potential attack. Ideally, if the home style had permitted it, there should have been something put in the grounds so that as people, as individuals came through the open fence and they walked through this several hundred feet, the house would be alerted that someone was walking there.

But when you have children, dogs, cats and horses--you have to try to marry a reasonable protection system into a lifestyle. And their lifestyle was typically family. You couldn't restrict them in any way and have the system operate reasonably well.

Q Okay. I believe you told us the other day--and I don't mean to hold you to this, but my notes reflect that when you described the situation the other day you told us about your meeting with General Secord in late April in which he described to you the possibility that you would undertake this job. And you told us, if my notes are accurate, that initially at least you thought that the work would be paid for by Colonel North; is that correct? That you had an impression that that would be the case?

A It was a completely--it was an assignment completely detached from what I was doing for Colonel North--I'm sorry, for General Secord, pardon me. And I would assume that this was Colonel North's need for some professional assistance and I didn't know who was going to pay for it at that time.

Q You did know that Colonel North was a government official?

A Yes.

Q And you're a former federal government official yourself, right?

A Yes.

Q Turning to the meeting of May 5th, which I believe was the sort of first meeting you had with Colonel North himself about this. You gave him a general set of recommendations. He indicates, as I understand your testimony, that he wants to meet again.

I believe you testified that at that meeting there was no discussion of price; is that correct?

A At that meeting, yes.

Q He didn't say, for example, that he couldn't afford to spend more than a certain amount or anything like that?

A Not to my recollection at that meeting.

Q I believe you also told us, and I want to confirm this for the record, that in your view North clearly was the one who was making the installation decisions; what would go into the system, what would not go into the system?

A I felt it was his--well, it didn't seem unusual to me. Yes; yes, in response.

Q He was the client, in effect, for this job, wasn't he?

A Yes, it was his house.

Q Right, I understand. Secord had come to you, but he appeared to be the client for the job; is that right?

A [Nodding affirmatively.]

Q Now at the May 10th meeting--and we've gone over this a little bit earlier this morning, but I want the record to be as clear as it can be on this subject. This is the meeting where there is discussion of the price for the system and you give him sort of a final configuration.

A Yes.

Q And my question to you is, who brought up the question of the cost of the system? What is your recollection on that point?

A I think I brought that up.

Q Now within about 10 days or so between May 10th and May 19th you got at least some estimates for a significant part of the total job from VATEC; is that correct?

A Yes.

UNCLASSIFIED

Q And these estimates came in a lot higher than the $8,000, $8,500 that had been discussed at that May 10th meeting. Is it a fact that you never consulted with Colonel North after the May 10th meeting about how much the system was going to cost?

A Yes, that's correct.

Q Instead, you did check back with General Secord to see if the higher estimate was acceptable to him; is that correct?

A Yes, I believe I mentioned it to him, yes.

Q And I believe you told us that at all times you looked to Mr. Secord for the payment?

A That's correct.

Q So both in terms of approving the estimates and in terms of payment, you looked to Secord for the payment?

A Yes.

Q And you don't know whether or not there might have been some arrangement between Secord and North; is that correct?

A No, I do not know. General Secord never mentioned anything like that to me.

Q Now as a former federal employee, did it occur to you that there might be a problem if General Secord was paying for the installation of this system in North's home?

A No, it did not occur to me.

UNCLASSIFIED

Q So you thought it was okay for federal officials to accept large gifts from other people for this sort of thing?

MR. TUOHEY: If we were in a deposition I would object to that question as argumentative.

MR. VAN CLEVE: I can rephrase it, but I'm asking based on his prior experience as a federal employee.

THE WITNESS: I have to say, yes, I don't think federal employees should get, whatever your word, large gifts or whatever it was.

BY MR. VAN CLEVE:

Q I mean, based on your current understanding, that is what happened here, isn't it? You've told us that Colonel North has never paid a penny for this system. That it cost $14,000.

A I thought you were talking of at that time in March or April or whatever.

Q I can say it as of the middle of May, if you like. I can say it as of the present, if you like.

Q Whichever way you prefer.

Q I was initially interested in your state of mind at the time because clearly you were dealing with Mr. Secord in getting his approval, looking to him for payment, and yet you ow whether there was any arrangement.

So I was asking, at the time, what was your state of mind about this? I mean, did you think this was a perfectly proper arrangement?

A Yes.

Q And why was that?

A Because I didn't think there was anything wrong with it at that time. I didn't know what arrangements had been made or were being made.

MR. TUOHEY: Off the record for a second.

[Discussion off the record.]

BY MR. VAN CLEVE:

Q I want to turn now to the period after November 25th, Mr. Robinette. I'd like to ask you to try--and maybe looking at your calendar will help you a little bit to place in time some of the events a little more precisely. I don't know that it will be--do you have a copy of the calendar?

A Yes, I do.

Q I don't know that it will be material today, but it may be material at a later point.

A Okay.

Q I believe you told us that on December 9th that you were interviewed by the FBI?

A December 10th.

Q My apologies. On December 10th you were interviewed by the FBI. And as I recall your testimony o~~f~~n the interview, you said that you were asked generally about the Iran arms sales, some questions about the contras, and about your relationship with Secord; is that right?

A I think so. You know, the best thing is to look at their records or show them to me or something.

Q I can just tell you that whether we have them or not, I have not done that and haven't had a chance, and I'm not going to pursue it in detail.

Were you asked about Colonel North at that interview?

A I could have been. But again, I don't have a clear recollection of what they asked. They spent about an hour at my home.

Q I'm not trying to put you on the spot, I'm just trying to see what you remember.

A I can only answer--

Q You don't remember?

A No.

Q Okay. Now my notes reflect that you told us that on December 11th you then got a phone call. Was it December 11th?

A Yes, it was. It looks like 12:00 from the agent.

Q So this would be the next day?

A Next day.

Q And it was a follow-up call by one of the agents that had interviewed you the day before; is that--

A Yes.

Q And my question is--and I apologize for that sort of lengthy introduction--did the phone call from Colonel North come before or after the FBI had interviewed you in December?

A That was asked yesterday. I can't recall.

Q You don't have any way of placing the phone call in time?

A No, I notice my appointment calendar for December is rather blank. I don't know whether it was me or what, because I usually have a lot of notes on there. But I don't know. There's no way for me to reconstruct that in my memory.

Q Now we went over some of this ground and I am not at all interested in having the record be different on this point than it already is. But I believe you told us that the reason that you changed--you made out two bills that you put false dates on them and so on--that one of the reasons was that you wanted to protect Colonel North?

A That's right.

Q Mr. Robinette, you didn't know Colonel North at all before May 1986; is that right?

A That's correct.

Q And you've never had any social dealings with him?

A That's correct.

Q And you really don't have any way of knowing much about his performance in the government, do you?

A Personally, no.

Q So other than by general reputation, you really don't know Colonel North?

A That's correct.

Q Why would you want to protect him?

A The few times that I did see him, I was impressed with him. In addition, General Secord had talked--had commented to me about Colonel North. And I think Colonel Dutton had commented to me. And I know Tom Clines had commented to me, all in the same lines, along the same lines that Colonel North was a super hard-charger, a workaholic, and a never-give-up type.

Another point that would affect my actions was I was extremely impressed with Mrs. North and the family and the lifestyle, and the problems that she as a mother and a wife had to put up with. She had a pretty tough time out there with Colonel North always working and she having to do a lot of things on her own.

Q Now you knew it was important to General Secord to continue his relationship with Colonel North, didn't you?

A No.

Q No?

A Are you speaking in regard to those notes, those bills?

Q I am.

A No, I would have--no, my concern with--my actions with the bill was primarily for Colonel North. Now as far as important that General Secord continue with Colonel--I don't know. I don't know what they were doing. I don't know if it would be important or not.

MR. TUOHEY: Let me ask a clarifying question. Are you asking whether or not a secondary motive or an alternative motive in preparing these bills was to protect General Secord?

MR. VAN CLEVE: That's part of the question.

THE WITNESS: I think that's true to a degree, but I don't know--that's true to some degree. But my primary objective was Colonel North.

BY MR. VAN CLEVE:

Q Have you ever asked General Secord whether he's received any kind of payment from North for the system?

A No, I've never asked him.

Q Even after the stories were in the paper and you met with him on March 17th, that subject never came up?

A Never asked him. It just never came up.

MR. VAN CLEVE: I have a couple of additional questions. I don't mean to be unnecessarily personal. But bearing in mind that this is an executive session and that I have not personally had the time to do the background review that we would normally do here. I hope counsel will bear with me.

MR. TUOHEY: Off the record.

[Discussion off the record.]

BY MR. VAN CLEVE:

Q Mr. Robinette, have you ever been arrested?

A No.

Q Have you ever been indicted by either a state or a federal agency?

A No.

Q And I take it that you have never plead guilty to any charge that would amount to a felony?

A No.

Q Would you please tell us the nature of the lawsuit that you're currently involved with down in South Carolina?

A He's suing us for failure to --

Q Who is he?

A A fellow who is a principal in a firm. The firm is named Sisco and his name is Mario Salvador and he's suing for failure to meet terms of a contract.

Q Are there any allegations that claim fraud in the business relationship?

A I don't know. He had a lengthy number of -- you mean about us or about me?

Q Yes. You or your business partners?

A No, not that I know of but you have to look at their records. I'm not being evasive, I just don't recall any.

Q How much money is involved in the lawsuit?

I'll take an approximate number. How much is the claim being made against you?

A I think he wanted $750,000 or we promised to pay him over ten years, or something like that. I might now be right on that. Somebody's been down there, I know. The attorney said.

Q That may be, sir, but I can tell you for what it's worth that they haven't been talking to me.

I am struck by the fact that you appear to have voluntarily decided, in December 1986, that you were going to go out of your way to try and protect Colonel North while he was under investigation, as you knew, at the time by various federal agencies and officials. As I understand your testimony, you did that purely out of a disinterested personal concern for Colonel North and his family, is that correct?

A That's correct.

Q Obviously, the testimony you are giving here today is going to have just the opposite effect when it's given in public, isn't that so?

A Opposite effect?

Q I think it's fair to say that this testimony is going to be very damaging to Colonel North when it's given in

UNCLASSIFIED

public, isn't that so?

A Probably, yes.

Q Did it occur to you, in December of 1986, that you might end up across the table, where you are today?

A No.

Q Why not? Didn't you think that federal investigators were going to be pursuing this matter?

A If it didn't occur to me, in December 1986, that's why not. It didn't occur to me.

Q Mr. Robinette, you've spent a considerable part of your career as an intelligence officer, isn't that so?

A Yes.

Q Surely you're aware of the investigative resources available to the federal government, aren't you?

A Yes.

Q Do you mean to tell us that when you backdated these bills, it never occurred to you that anyone was going to figure this out?

A No, I probably wouldn't have done it. As everybody says, in hindsight, they wish they hadn't done something.

MR. VAN CLEVE: I have nothing further right now. Thank you.

[Whereupon, at 1:15 p.m., the taking of the deposition was concluded.]

UNCLASSIFIED

[Whereupon, the witness having been

advised of his right to read his deposition, waived signature.]

CERTIFICATE OF NOTARY PUBLIC

I, PAMELA BRIGGLE, the officer before whom the foregoing deposition was taken, do hereby certify that the witness whose testimony appears in the foregoing deposition was duly sworn by me; that the testimony of said witness was taken by me and thereafter reduced to typewriting by me or under my direction; that said deposition is a true record of the testimony given by the witness; that I am neither counsel for, related to, nor employed by any of the parties to the action in which this deposition was taken; and further, that I am not a relative or employee of any attorney or counsel employed by the parties hereto, nor financially or otherwise interested in the outcome of the action.

Pamela Briggle

PAMELA BRIGGLE

Notary Public in and for the

District of Columbia

My Commission expires May 14, 1990.

Robinette

Ex.

100TH CONGRESS
1ST SESSION

RESOLUTION

of the Senate Select Committee on
Secret Military Assistance to Iran
and the Nicaraguan Opposition

To immunize from use in prosecution the testimony of,
and other information provided by,
Glen A. Robinette

June 4, 1987

MR. INOUYE, the Chairman of the Senate Select Committee on Secret Military Assistance to Iran and the Nicaraguan Opposition, submitted the following resolution to the Committee, which approved it by unanimous vote of its eleven members on the 4th day of June, 1987.

Whereas, the Senate Select Committee on Secret Military Assistance to Iran and the Nicaraguan Opposition is conducting an investigation under authority of Senate Resolution 23, 100th Congress, and will conduct proceedings to receive testimony and other information;

Whereas, the Select Committee may require Glen A. Robinette to testify and provide other information at its proceedings;

Whereas, Glen A. Robinette has refused to testify or provide other information at proceedings of the Select Committee on ground of self-incrimination; and

Whereas, pursuant to 18 U.S.C. §§ 6002 and 6005, a committee may seek, by two-thirds vote, a court order immunizing testimony and other information provided by a witness from use in prosecutions other than for perjury, giving a false statement, or otherwise failing to comply with the court order: Now, therefore, be it

Resolved, That the Select Committee on Secret Military Assistance to Iran and the Nicaraguan Opposition, pursuant to 2 U.S.C. §§ 288b(d) and 288f, directs the Senate Legal Counsel to apply for a court order immunizing from use in prosecutions the testimony of, and other information provided by, Glen A. Robinette at proceedings of the Senate Select Committee on Secret Military Assistance to Iran and the Nicaraguan Opposition.

EXHIBIT A

18 AUG 86

Bill:

H T670

Pls arrange payments as follows:

- $125,000 to SAT (wire transfer fm GDACC)
- $56,000 TO EAST (wire transfer fm GDACC)
- $9,000 TO G.R. Robinette, 3265 ARCADIA PL NW, WASHINGTON, DC 20015 (mail check from US Bank, if possible)

Hope to see you soon!

Dick

Ex. GR-7A
6/17/87 PRA

7263

LEX MANAGER
ng telex: 08399

H 1668

GENEVA AUGUST 20TH, 1986

TO : REPUBLIC NATIONAL BANK OF NEW YORK, NEW YORK
FM : CSF INVESTMENTS LTD

ATTN MRS MORABIA

PLEASE ISSUE A CHECK IN THE AMOUNT OF
USD 9'000,--
TO THE ORDER OF G.R. ROBINETTE
AND MAIL IT DIRECTLY TO :

G.R. ROBINETTE
3265 ARCADIA PL NW
WASHINGTON DC 20015
USA

TEST KEY NO 151

THANK YOU IN ADVANCE
BEST REGARDS
CSF INVESTMENTS LTD.

** Start of response **
** Telex sent 16:05:33 20/08/86 **

DATE: 20/08/86
TIME: 16:05:33
REF: 08399

023 421434

023421434+
: AUG 20 1005
421434 BLICBANK

428665 CSF CH
CI

428665 CSF CH
421434 BLICBANK

Dr 4203001
<1000017>

** End of telex **

CR 5606001

Ex GR-73

SCHWEIZERISCHE KREDITANSTALT

1211 GENEVE FA~~XX~~-VIREJ
TEL. 022/36 53 60
20 AUG 86

Unsere Referenz/Notre référence/Our ref
ZA 0920-[illegible]-13

UDALL RESEARCH CORP

20

DEBIT ADVICE

WE HAVE DEBITED THE ACCOUNT ON THE RIGHT
AS PER ORDER OF 20 AUG 86

Konto/Compte/Conto
H
7667

CURRENT ACCOUNT

249053-62-1

VAL 22 AUG 86 US$ 9,015.00
-------------- **************************

Zahlungsgrund/Motif du paiement/Motivo del pagamento/Details of payment
REF.CHEQUE G.R.ROBINETTE

BENEFICIARY
CSF INVESTMENTS LIMITED
VALLIS & HAYWARD BLDG
P.O BOX NO 2273
BM-HAMILTON 5-31 BERMUDA

Hochachtungsvoll/Vos dévoués/Con distinta stima/Yours truly

SCHWEIZERISCHE KREDITANSTALT
CREDIT SUISSE CREDITO SVIZZERO

Formular ohne Unterschrift Formule sans signature
Modulo senza firma Form without signature

Contr DGJU
364

1 No 7700 1.85 1000

Ex. GR-7C

SCHWEIZERISCHE KREDITANSTALT
CREDIT SUISSE CREDITO SVIZZERO

GENEVE EAUX-VIVES

TEL. 022/36 53 80

Konto-Inhaber/Titulaire du compte/Titolare di conto/Account holder

630
26

UDALL RESEARCH CORP

EMENT OF ACCOUNT

PER 30.09.86

[illegible]20Y

ount No. 649853-62-1

CURRENT ACCOUNT

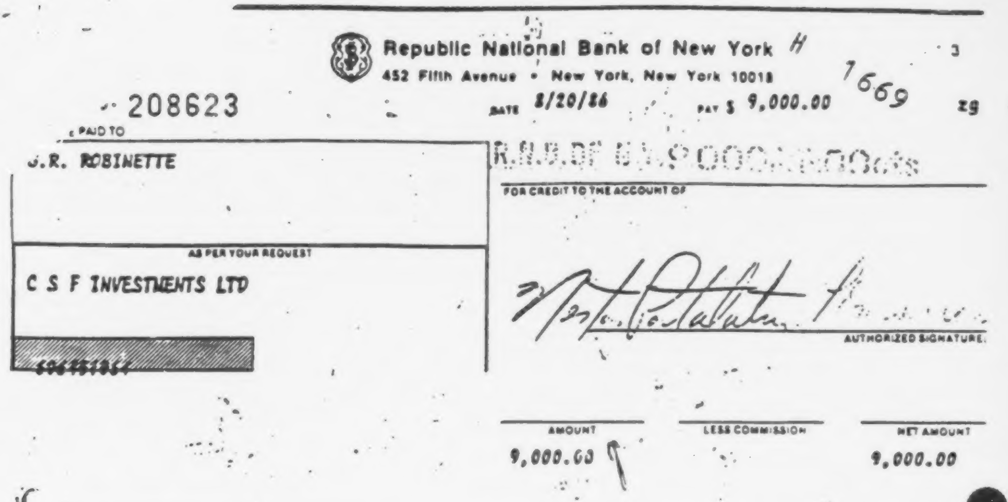
rency US DOLLARS

A

Blatt/Feuille Foglio/Sheet 2

te	Text/Texte/Testo	a Rücks / v verso v retro/p t o		Zu unsern Gunsten/En notre faveur A nostro favore/In our favour	Zu Ihren Gunsten/En votre faveur A Vostro favore/In your favour	Val	Saldo/Solde/Balance
86	PAYMENT ORDER		S	81,433.89		070886	119,075.39 C
86	PAYMENT ORDER		S	✓125,008.93		220886	
86	PAYMENT ORDER		S	✓56,008.93		220886	
86	PAYMENT ORDER		S	✓9,015.00		220886	
86	PAYMENT		S		Toyco ✓100,000.00	220886	
86	PAYMENT ORDER		S	✓21,439.51		220886	7,603.02 C
86	CASH WITHDRAWAL		S	✓7,035.00		230986	568.02 C
86	PAYMENT ORDER		S	✓91,945.75		260986	
86	PAYMENT ORDER		S	✓46,922.75		260986	
86	PAYMENT		S		Hyde ✓140,000.00	260986	1,699.52 C
86	BALANCE OF CLOSING ENTRIES	9943	S	153.72		300986	1,545.80 C **********
	TOTAL TURNOVER			706,558.20	732,911.12		

C = Zu Ihren Gunsten/En votre faveur



Republic National Bank of New York H 3
452 Fifth Avenue • New York, New York 10018

208623 DATE 8/20/86 PAY $ 9,000.00 7669 zg

PAID TO
J.R. ROBINETTE

AS PER YOUR REQUEST
C S F INVESTMENTS LTD

[redacted]

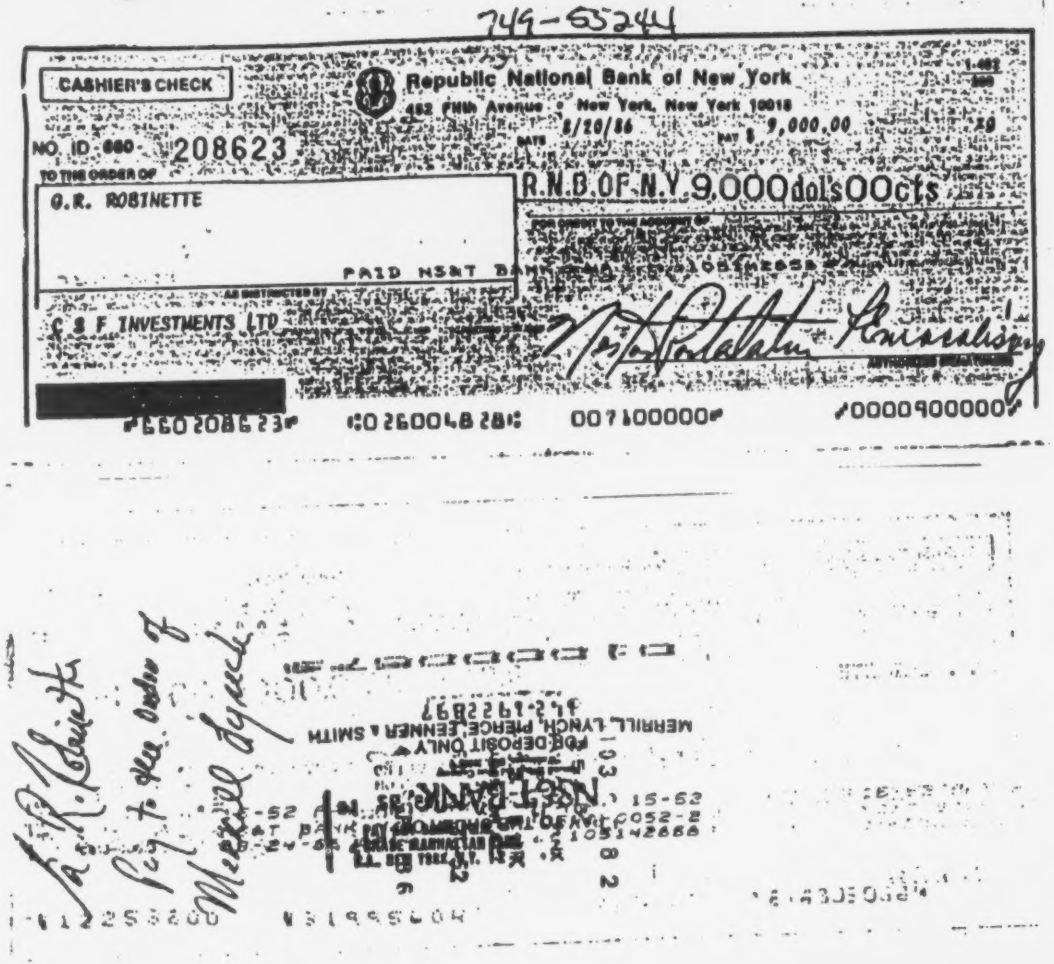
R.N.B.OF N.Y.9000&00cts

FOR CREDIT TO THE ACCOUNT OF

AUTHORIZED SIGNATURE.

AMOUNT	LESS COMMISSION	NET AMOUNT
9,000.00		9,000.00

Ex. GR-7E



749-55244

CASHIER'S CHECK

Republic National Bank of New York
452 Fifth Avenue • New York, New York 10018

NO. ID 660- 208623

DATE 8/20/86 PAY $ 9,000.00

TO THE ORDER OF
G.R. ROBINETTE

R.N.B.OF N.Y. 9,000dols00cts

PAID NS&T BANK

AS INSTRUCTED BY
C & F INVESTMENTS LTD

AUTHORIZED SIGNATURE

[redacted]

⑈660208623⑈ ⑆026004828⑆ 007100000⑈ ⑈0000900000⑈

G.R. Robinette
Pay to the order of
Merrill Lynch

FOR DEPOSIT ONLY
MERRILL LYNCH, PIERCE, FENNER & SMITH
143-1922897

NS&T BANK

15-52

6/17/87 PRW

DX-10

INVOICE

6-3-86

NO.

DATE

YOUR ORDER NO.

OUR ORDER NO.

SOLD TO:
[illegible]
[illegible] Place, N.W.
[illegible]

SHIP TO:
[illegible]
703 [illegible]
Great Falls, Va. [illegible]

DATE SHIPPED	SHIPPED VIA	SALESMAN

ORDERED	SHIPPED	DESCRIPTION	PRICE	PER	AMOUNT
		[illegible]			
		[illegible]			
		[illegible]	[illegible]		

TRIPLICATE

Ex GR-8A

Dx-11

INVOICE

VATEC Incorporated
122 Lafayette Avenue
Laurel, MD 20707

NO. 500

DATE 12/17/86

YOUR ORDER NO. CCS31-1016

OUR ORDER NO. 3169

SOLD TO Mr. Glenn A. Robinette
3265 Arcadia Place, N.W.
Washington, DC 20015

SHIP TO Oliver North
Great Falls, VA

F.O.B.	TERMS	DATE SHIPPED	SHIPPED VIA	SALESMAN
	Net 30			

ORDERED	SHIPPED	DESCRIPTION	PRICE	PER	AMOUNT
	[illegible]	Semi-annual service charge for 24-hour			
		central station monitoring for the			
		[illegible] December 20, 1986 to			
		[illegible] 1[illegible], 1987.	$15.00	Mo.	

TOPS NO. 3711
LITHO USA

DUPLICATE

Ex. GR-8D

DX-12

INVOICE

Incorporated
2 Lafayette Avenue
aurel, MD 20707

NO. 500 5/2

DATE 12/17/86

YOUR ORDER NO. CC331-1846

OUR ORDER NO. J369

SOLD TO Mr. [illegible]
170? Arcadia Place, N.W.
Washington, DC 20015

Send to Oliver North

SHIP TO Oliver North 763 Kentland Drive
Great Falls, VA 22066

FOB	TERMS	DATE SHIPPED	SHIPPED VIA	SALESMAN
	Net [illegible]			

ORDERED	SHIPPED	DESCRIPTION	PRICE	PER	AMOUNT
		Semi annual service charge for 24-hour			
		central station monitoring for the			
		period of November 20, 1986 to	$15.60		
		May [illegible], 1987.			

Ex. GR-8C

Dx-13

INVOICE

NO [illegible]

DATE [illegible]

YOUR ORDER NO. [illegible]

OUR ORDER NO. [illegible]

[illegible] 20707

SOLD TO [illegible]

[illegible]

[illegible] 72066

SHIP TO [illegible]

TERMS	DATE SHIPPED	SHIPPED VIA	SALESMAN
[illegible]			

ORDERED	SHIPPED	DESCRIPTION	PRICE	PER	AMOUNT
		[illegible] annual service charge			
		[illegible] station monitoring			
		[illegible] November 20, 19	[illegible]	[illegible]	[illegible]
		[illegible] 1987.			

DUPLICATE

Ex. GR-8D
[illegible]

DX-14

INVOICE

Pd 2/25/87

[illegible] Incorporated
[illegible] Lafayette Avenue
[illegible], Maryland [illegible]

NO. [illegible]

DATE [illegible]

YOUR ORDER NO. [illegible]

OUR ORDER NO. [illegible]

SOLD TO Oliver North
[illegible] Kentland Dr[illegible]
[illegible] Falls, Virginia [illegible]

SHIP TO Same

F O B	TERMS –	DATE SHIPPED	SHIPPED VIA	SALESMAN		
	[illegible]					

ORDERED	SHIPPED	DESCRIPTION	PRICE	PER	AMOUNT
		Same [illegible] charge for 24-hour			
		[illegible] monitoring for the			
		period of [illegible] 30, 1986 to			
		May [illegible], 1987.	$15.00	Mo	[illegible]

TOPS NO. 3711
LITHO USA

TRIPLICATE

Ex. GR-8E

Glenn Robinette & Associates
3268 ARCADIA PLACE, NW
WASHINGTON, DC 20015
(202) 966-5873

2 July 1986

Lt. Col. Oliver North
703 Kentland Drive
Great Falls, Virginia 22066

For Installation of Security Equipment, Systems and
Services at 703 Kentland Drive, Great Falls, VA. $8,000.00

(This equipment should prevent any further problems for you and the family. Please call me if there are any questions about the operation of the systems and/or any other matters regarding protective security)

Many thanks!

Ex. GR9-A
6/7/87 PKA

Glenn Robinette & Associates
[illegible] ARCADIA PLACE, NW
WASHINGTON, DC 20015
[illegible]

2 July 1986

Lt. Col. Oliver North
703 Kentland Drive
Great Falls, Virginia 22066

For Installation of Security Equipment, Systems and Services at 703 Kentland Drive, Great Falls, VA.	$8,000.00

(This equipment should prevent any further problems for you and the family. Please call me if there are any questions about the operation of the systems and/or any other matters regarding protective security)

Many thanks!

22 September 1986

Ollie,

Due to my schedule I have not found time to follow up on my paper work - as you can see from the dates. I'm sure that you have had the same problem. Please remit when you have time.

Many thanks!

Ex GR-9B
6/17/87 rZB

LtCol Oliver L.North, USMC
703 Kentland Dr.
Great Falls, Va. 22066

18 May 1986

Dear Mr. Robinette

My wife and I have considered your kind offer to expedite the installation of a security system at our house in Great Falls. In view of the recent threat by Abu Nidal my frequent absences from home, we would very much appreciate it if you could proceed in accord with the terms we discussed in our last meeting.

It is my understanding that the full system will cost approximately $8000-8500; that it can be installed quickly; and that we have two options for reimbursing you for the expenses:

1. Loan of the equipment for a period not to exceed the expiration of my active service in the United States Marine Corps (June 1988), at which time we will make our home available for commercial endorsement of your firm and the equipment without fee; or

2. Payment in full for the equipment and the cost of installation in 24 equal monthly increments commencing on the date that the installation is completed and fully operational.

Given our current financial situation, we would prefer the first alternative if this is still amenable to your company. I am particularly concerned about the safety of the children given the unfortunate media visibility my position has generated. If the aforementioned terms are still acceptable to you, we would like to have you commence work as soon as possible. We are, of course, prepared to sign an endorsement contract now if you require more than this letter as indication of our intent.

Sincerely,

Oliver L. North

Ex GR-10A
6/17/87 PRB

Oliver L. North
703 Kentland Dr.
Falls Church, Va. 22066
1 Oct 86

Dear Glenn,

Please forgive me for not getting back to you sooner. I've been out of town and we seem to keep missing each other on phone calls.

The reason for my first call was to inquire about your note of September 22. We are a bit confused and surely don't want there to be any misunderstanding in that we are very pleased with the security arrangements at the house. I am also grateful for your looking in on Betsy and the girls now that Stuart is off at school and my hectic pace does not seem to have slowed a bit.

Back to the point: your note of September 22. It was our understanding that we were going to go ahead with the first option for reimbursement - that is: commercial endorsement of your company and the equipment when I retire from the Marine Corps in 1988. If that is not your understanding, we need to get together and talk. While we are very pleased with the system and the fact that it "came in under estimate" (old Pentagon saying), we just don't have $8,000 without borrowing it, and with Stuart in school, and Tait going next year, that is a real problem.

Please advise soonest. I don't want you to be cought short - but I don't want to have to resort to holding up gas stations on my way home from work at night either.

Warm regards,

P.S. Please forgive the type — I literally "dropped the ball"

Ex. GR-10B
[illegible]

UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF COLUMBIA

SENATE SELECT COMMITTEE ON SECRET MILITARY ASSISTANCE TO IRAN AND THE NICARAGUAN OPPOSITION The United States Senate Washington, D.C. 20510, Applicant.	Misc. No. 87-214

ORDER

Upon consideration of the application by the Senate Select Committee on Secret Military Assistance to Iran and the Nicaraguan Opposition, and upon determining that the procedural requirements set forth in 18 U.S.C. § 6005 have been satisfied, it is, this 15th day of June, 1987,

ORDERED That Glen A. Robinette may not refuse to testify, and provide other information, at proceedings of the Senate Select Committee on Secret Military Assistance to Iran and the Nicaraguan Opposition, on the basis of his privilege against self-incrimination, and it is

FURTHER ORDERED That no testimony or other information compelled under this Order (or any information directly or indirectly derived from such testimony or other information) may be used against Glen A. Robinette in any criminal case, except a prosecution for perjury, giving a false statement, or otherwise failing to comply with this Order.

United States District Judge

UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF COLUMBIA

SENATE SELECT COMMITTEE ON SECRET
MILITARY ASSISTANCE TO IRAN AND
THE NICARAGUAN OPPOSITION

The United States Senate
Washington, D.C. 20510,

Applicant.

Misc. No. 87-214

APPLICATION FOR ORDER IMMUNIZING TESTIMONY AND OTHER INFORMATION PROVIDED BY GLEN A. ROBINETTE

1. The Senate Select Committee on Secret Military Assistance to Iran and the Nicaraguan Opposition applies to this Court for an order, pursuant to 18 U.S.C. §§ 6002 and 6005, immunizing from use in prosecutions testimony and other information provided by one of its witnesses, Glen A. Robinette, at proceedings of the Select Committee.

RECEIVED
JUN 15 9 51 AM '87

2. Senate Resolution 23, 100th Cong. 1st Sess., 133 Cong. Rec. S575-78 (daily ed., Part II, Jan. 6, 1987), established the Select Committee and authorized it to conduct an investigation into transactions to provide arms to Iran and into the use of the proceeds from those transactions.

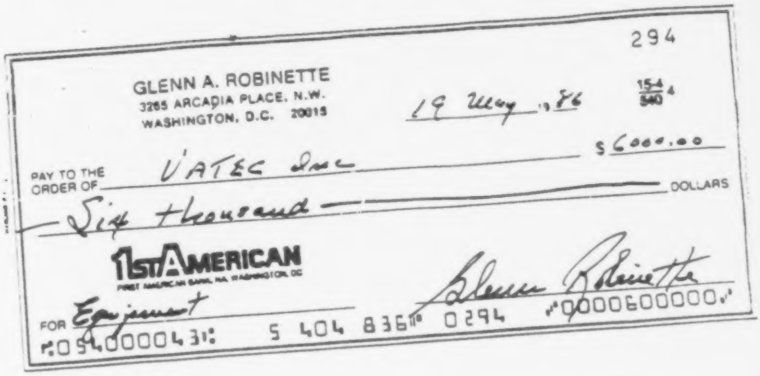
3. Senate Resolution 23 authorizes the Select Committee to hold hearings, conduct depositions and require answers to interrogatories; issue subpoenas for obtaining testimony and documents; and apply for immunity orders under 18 U.S.C. §§ 6002 and 6005.

4. On June 4, 1987, by a unanimous vote of its eleven members, the Select Committee adopted a resolution directing the Senate Legal Counsel to apply for an order immunizing testimony and other information provided by the witness at proceedings of the Select Committee. The Select Committee's resolution is attached as Exhibit A.

5. It is anticipated that the witness will invoke his constitutional privilege against self-incrimination.

6. In accordance with 18 U.S.C. § 6005 and 28 U.S.C. § 594(a)(7), we notified Independent Counsel Lawrence E. Walsh on June 4, 1987, of the Select Committee's intention to request this order. A copy of the notice to the Independent Counsel is attached as Exhibit B. On June 4, 1987, we also notified the Attorney General of the Select Committee's intention to request this order. A copy of the notice to the Attorney General is attached as Exhibit C. A certificate of service of Exhibits B and C is attached as Exhibit D.

7. We have been authorized to represent to this Court that neither the Independent Counsel nor the Attorney General will request this Court, under 18 U.S.C. § 6005(c), to defer the issuance of an immunity order for this witness.



294

GLENN A. ROBINETTE
3265 ARCADIA PLACE, N.W.
WASHINGTON, D.C. 20015

19 May 19 86

15-4
540 4

PAY TO THE ORDER OF VATEC Inc

$ 6000.00

Six thousand ——— DOLLARS

1ST AMERICAN
FIRST AMERICAN BANK, NA, WASHINGTON, DC

FOR Equipment

Glenn Robinette

:054000043: 5 404 836" 0294 "0000600000"

Ex. GR-3
1/17/87 PTCS

PEG PH # (301) 347-6184
MERCANTILE - SAFE DEP

FOR DEPOSITORY

Oliver L. North
703 Kentland Dr.
Falls Church, Va. 22066
1 Oct 86

Dear Glenn,

Please forgive me for not getting back to you sooner. I've been out of town and we seem to keep missing each other on phone calls.

The reason for my first call was to inquire about your note of September 22. We are a bit confused and surely don't want there to be any misunderstanding in that we are very pleased with the security arrangements at the house. I am also grateful for your looking in on Betsy and the girls now that Stuart is off at school and my hectic pace does not seem to have slowed a bit.

Back to the point: your note of September 22. It was our understanding that we were going to go ahead with the first option for reimbursement - that is; commercial endorsement of your company and the equipment when I retire from the Marine Corps in 1988. If that is not your understanding, we need to get together and talk. While we are very pleased with the system and the fact that it "came in under estimate" (old Pentagon saying), we just don't have $8,000 without borrowing it, and with Stuart in school, and Tait going next year, that is a real problem.

Please advise soonest. I don't want you to be cought short - but I don't want to have to resort to holding up gas stations on my way home from work at night either.

Warm regards,

P.S. Please forgive the type - I literally "dropped the ball"

Ex. GR-10B
6/17/87 [illegible]

LtCol Oliver L.North, USMC
703 Kentland Dr.
Great Falls, Va. 22066

18 May 1986

Dear Mr. Robinette

My wife and I have considered your kind offer to expedite the installation of a security system at our house in Great Falls. In view of the recent threat by Abu Nidal my frequent absences from home, we would very much appreciate it if you could proceed in accord with the terms we discussed in our last meeting.

It is my understanding that the full system will cost approximately $8000-8500; that it can be installed quickly; and that we have two options for reimbursing you for the expenses:

1. Loan of the equipment for a period not to exceed the expiration of my active service in the United States Marine Corps (June 1988), at which time we will make our home available for commercial endorsement of your firm and the equipment without fee; or

2. Payment in full for the equipment and the cost of installation in 24 equal monthly increments commencing on the date that the installation is completed and fully operational.

Given our current financial situation, we would prefer the first alternative if this is still amenable to your company. I am particularly concerned about the safety of the children given the unfortunate media visibility my position has generated. If the aforementioned terms are still acceptable to you, we would like to have you commence work as soon as possible. We are, of course, prepared to sign an endorsement contract now if you require more than this letter as indication of our intent.

Sincerely,

Oliver L. North

Ex. GR-10A
6/17/87 [illegible]

Glenn Robinette & Associates
3265 ARCADIA PLACE, NW
WASHINGTON, DC 20015
(202) 966-5873

2 July 1986

Lt. Col. Oliver North
703 Kentland Drive
Great Falls, Virginia 22066

For Installation of Security Equipment, Systems and Services at 703 Kentland Drive, Great Falls, VA.	$8,000.00

(This equipment should prevent any further problems for you and the family. Please call me if there are any questions about the operation of the systems and/or any other matters regarding protective security)

Many thanks!

Ex. GR-9A
6/87/87 TFB

Glenn Robinette & Associates
3265 ARCADIA PLACE, NW
WASHINGTON, DC 20015
(202) 966-5873

2 July 1986

Lt. Col. Oliver North
703 Kentland Drive
Great Falls, Virginia 22066

For Installation of Security Equipment, Systems and Services at 703 Kentland Drive, Great Falls, VA.	$8,000.00

(This equipment should prevent any further problems for you and the family. Please call me if there are any questions about the operation of the systems and/or any other matters regarding protective security)

Many thanks!

22 September 1986

Ollie,

Due to my schedule I have not found time to follow up on my paper work - as you can see from the dates. I'm sure that you have had the same problem. Please remit when you have time.

Many thanks!

Ex. GR-9B
6.7/87 FRB

Exh. 1
3/18/87

CARDKEY Security ~~Systems~~
DOR-O-MATIC Automatic Doors
STANLEY Parking Gate & Fence Controls

ADS
Automatic Door Specialists

132 Washington Boulevard
Laurel, Maryland 20707
Balt. 301-792-4090 Wash. 301-953-7900

ROPOSAL SUBMITTED TO: Glenn Robinette and Associates
PHONE: 966 - 5873
DATE: June 17, 1986
TREET: 3365 Arcadia Place, NW
JOB NAME: Private Residence
ITY, STATE AND ZIP CODE: Washinton, D.C. 20015
JOB LOCATION: Kentland Drive, Great Falls, Virginia
RCHITECT: -----
DATE OF PLANS: ------
JOB PHONE: -----

We hereby submit specifications and estimates for

Automatic Door Specialists (ADS) will automate the existing gate using an Edko Medium Duty Swing Gate Operator. To accommodate automation of gate, ADS will remove existing wooden gate post, replace it with a metal post painted white.

In conjunction with automation of the gate, ADS will provide one Multi-Elmac Receiver and two Multi-Elmac Single Button Transmitters to operate gates from an automobile.

ADS also will install an Aiphone Intercom consisting of an IBG-1GD Master Station inside the front door, and IBG-1HD Additional Master on the upstairs bedroom, and an IB-DA Door Station on a post outside the gate.

ADS will install intercom wiring through existing conduit and will obtain power from existing box in the yard near the gate location.

Quoted price doesnot include price of permits, if needed.

GUARANTEE - Material & Equip. - 1 yr. Labor - 3 mo.

+$19 for another
transmitter =
$2173.–

We Propose hereby to furnish material and labor — complete in accordance with above specifications, for the sum of:

Two thousand one hundred fifty-four dollars ($ 2,154.00)

Payment to be made as follows:

1% discount / 20 day. Net 30. A 1% service charge will be charged 30 days after the date of the invoice.

All material is guaranteed to be as specified. All work to be completed in a workmanlike manner according to standard practices. Any alteration or deviation from above specifications involving extra costs will be executed only upon written orders, and will become an extra charge over and above the estimate. All agreements contingent upon strikes, accidents or delays beyond our control. Owner to carry fire, tornado and other necessary insurance. Our workers are fully covered by Workmen's Compensation Insurance.

Authorized Signature: Benjamin P. Chatham
Benjamin P. Chatham

Note: This proposal may be withdrawn by us if not accepted within 30 days.

Acceptance of Proposal — The above prices, specifications and conditions are satisfactory and are hereby accepted. You are authorized to do the work as specified. Payment will be made as outlined above.

Signature: Glenn Robinette

Signature:

Date of Acceptance: 26 June '86

FORM 118-3 COPYRIGHT 1980 - Available from NEBS Inc. Groton Mass 01450

Ex GR-3A
6/17/87 JRB

Exh. 7
3/18/87

AUTOMATIC DOOR
SPECIALISTS

132 WASHINGTON BOULEVARD LAUREL MARYLAND 207074397 • WASHINGTON 953-7900 BALTIMORE 792-4090

July 7, 1986

Glen Robinette and Associates
3265 Arcadia Place, NW
Washington, DC 20015

Dear Mr. Robinette:

Attached is an invoice for $ 2,173.00. This amount represents the original $ 2,154.00 contracted for, plus $ 19.00 for an additional radio transmitter.

Mr. Robinette, Automatic Door Specialists appreciates the business represented by this invoice. If we may provide additional assistance to you in the future, please do not hesitate to contact me.

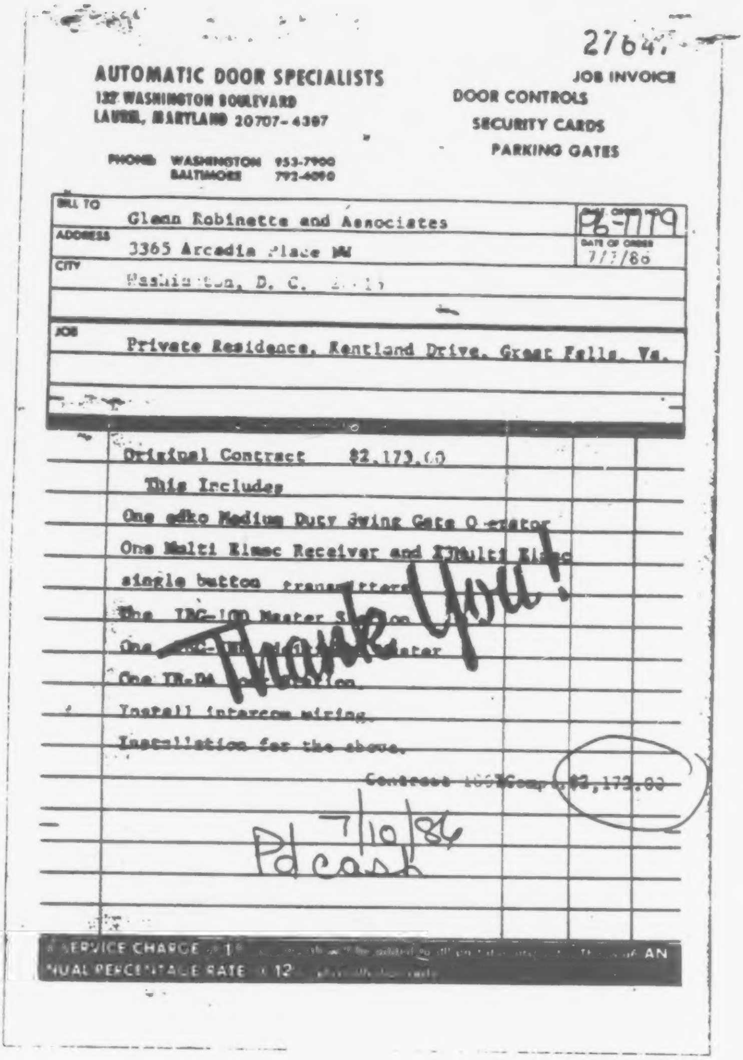
Very truly yours,
AUTOMATIC DOOR SPECIALISTS

Benjamin P. Chatham

Benjamin P. Chatham
Operations Director

Ex. GR-6B
6/19/87 TRB

Exh.
3



2764.

AUTOMATIC DOOR SPECIALISTS
127 WASHINGTON BOULEVARD
LAUREL, MARYLAND 20707-4387

PHONE WASHINGTON 953-7900
BALTIMORE 792-4090

JOB INVOICE
DOOR CONTROLS
SECURITY CARDS
PARKING GATES

BILL TO Glenn Robinette and Associates
ADDRESS 3365 Arcadia Place NW
CITY Washington, D. C. [illegible]
JOB Private Residence, Kentland Drive, Great Falls, Va.

OUR ORDER NO. P6-7779
DATE OF ORDER 7/7/86

Original Contract $2,173.00
This Includes
One edko Medium Duty Swing Gate Operator
One Multi Elmec Receiver and 2 Multi Elmec
single button transmitters
The IRC-100 Master Station
One [illegible] Master
One IR-DA [illegible]ion.
Install intercom wiring.
Installation for the above.
Contract 100% Comp. $2,173.00

Thank You!

7/10/86
Pd cash

SERVICE CHARGE 1[illegible] AN-NUAL PERCENTAGE RATE 12 [illegible]

Ex GR-6C
1-7-87 TLB

VATEC INCORPORATED
122 Lafayette Avenue
LAUREL, MARYLAND 20707

[redacted]

INVOICE

3166

PYMT RCVD: 7-10-86

TO

Mr. Glenn [redacted]
3265 Arcadea Place, N.W.
Washington, D.C. 20015

DATE: 06/20/86
ORDER NO.: J369
SHIP TO: Kentland Drive Property

			Net -- 30			
1. Alarm System and Car Alarm.	Materials	$3,087	00		
	Labor	4,480	00		
				$ 7,567	00
2. Electrical Work.	Materials	1,256	00		
	Labor	2,880	00		
				4,136	00
	SUB-TOTAL			$11,703	00
	Less Down Pymt.			6,000	00
	TOTAL DUE:			$ 5,703	00

DUPLICATE

Thank You

Ex. GZ-54
6/17/87 RB

VATEC INCORPORATED
122 LAFAYETTE AVENUE
LAUREL, MD. 20707
953 0057

COPY

J-369

MR. GLENN ROBINETTE
3265 ARCADIA PLACE, N.W.
WASHINGTON, D.C. 20015

JULY 10, 1986

DEAR MR. ROBINETTE:

PER YOUR REQUEST, THE FOLLOWING IS A SIMPLIFIED TECHNICAL EXPLAINATION OF THE SYSTEM DESIGNED AND INSTALLED BY "VATEC,INC." AT THE NORTH RESIDENCE IN THE GREAT FALLS AREA OF FAIRFAX COUNTY VA.

IN ORDER TO MEET SOME SPECIAL REQUIREMENTS WE BOTH FELT WERE NEEDED TO ENHANCE THE PROTECTION OF THE AFORMENTIONED PROPERTY, I DESIGNED AND ENGINEERED A SYSTEM TO DO CERTAIN OPERATIONS BOTH MANUALLY AND AUTOMATICALLY.

THE BASIC SYSTEM CONSISTS OF A WIRELESS ALARM SYSTEM WHICH PROTECTS THE HOUSE BY DETECTING UNAUTHORIZED ENTRY AND MOVEMENT WITHIN THE HOUSE WHILE ARMED. THE HOUSE IS ALSO PROTECTED FROM FIRE BY THE INSTALLATION OF THE "SMOKE DETECTORS". OUTSIDE LIGHTS, USING THE LATEST ADVANCES IN TECHNOLOGY, WERE INSTALLED TO INCREASE THE PROTECTION. IT IS A WELL KNOWN FACT THAT THE GREATEST DETERANT TO BURGULARS AND VANDALS ETC., IS THE PRESENCE OF LIGHT. THESE LIGHTS ARE ARRANGED SO THAT THEY CAN BE USED FOR CONVENIENCE AND ARE CONNECTED SO THAT AN ALARM BY THE SYSTEM TURNS ALL LIGHTS ON UNTIL THE ALARM IS TURNED OFF BY THE OWNER. THE SYSTEM IS ALSO CONNECTED BY THE PHONE TO A CENTRAL STATION WHICH CALLS THE PROPER AUTHORITIES WHEN THERE IS AN UNAUTHORIZED ENTRY, FIRE OR OTHER KIND OF EMERGENCY SITUTION, BY SPECIAL ELECTONIC CODE.

I ALSO HAD A SPECIAL ELECTRICAL CIRCUIT INSTALLED AT THE FRONT OF THE PROPERTY NEAR THE GATE TO PROVIDE A MEANS BY WHICH VARIOUS DEVICES COULD BE OPERATED BY STANDARD "AC" LINE VOLTAGE. I MADE SURE BY MY SPECIFICATIONS THAT CERTAIN SAFETY PRECAUTIONS WERE INCORPORATED SO AS TO MAKE THAT CIRCUIT MORE RELIABLE.

THE WORK ALSO INCLUDED THE INSTALLATION OF A SIREN IN ONE VEHICLE TO BE USED AS A DISTRESS SIGNAL.

REGARDS,

Jim P Moore

JIM MOORE VP
VATEC,INC.

Ex. G2-5B
6/17/87 JLB

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF COLUMBIA

HOUSE SELECT COMMITTEE TO INVESTIGATE COVERT ARMS TRANSACTIONS WITH IRAN U.S. House of Representatives Washington, D.C. 20515 Applicant.	Misc. No. 87-0210

FILED

JUN 15 1987

CLERK, U.S. DISTRICT COURT
DISTRICT OF COLUMBIA

ORDER

On consideration of the application by the House Select Committee to Investigate Covert Arms Transactions with Iran and the memorandum of points and authorities, and exhibits, in support thereof, the Court finds that the procedural requisites set forth in 18 U.S.C. § 6005 for an order of the Court have been satisfied. Accordingly, it is

ORDERED that Glen Robinette may not refuse to provide any evidence in proceedings before the House Select Committee to Investigate Covert Arms Transactions with Iran on the basis of his privilege against self-incrimination, and it is

FURTHER ORDERED that no evidence obtained under this Order (or any information directly or indirectly derived from such evidence) may be used against Glen Robinette in any criminal case, except a prosecution for perjury, giving a false statement, or otherwise failing to comply with this Order.

Ex. GR-11A

FURTHER ORDERED That this Order shall become effective on June 15, 1987.

Louis F. Oberdorfer
United States District Judge

Dated: June 15, 1987

United States District Court
for the District of Columbia
A TRUE COPY
JAMES F. DAVEY, CLERK.
By
Deputy Clerk

Wherefore, the Select Committee respectfully requests that this Court issue an order immunizing from use in prosecutions testimony and other information provided by Glen A. Robinette at proceedings of the Select Committee.

Respectfully submitted,

Michael Davidson

Michael Davidson
Senate Legal Counsel

Ken U. Benjamin, Jr.
Deputy Senate Legal Counsel

Morgan J. Frankel
Assistant Senate Legal Counsel

Susan B. Fine
Assistant Senate Legal Counsel

642 Hart Senate Office Building
Washington, D.C. 20510
(202) 224-4435

Counsel for Senate Select Committee
on Secret Military Assistance to Iran
and the Nicaraguan Opposition

Of Counsel:

Arthur L. Liman
Paul J. Barbadoro
Mark A. Belnick

Dated: June 15, 1987

UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF COLUMBIA

SENATE SELECT COMMITTEE ON SECRET MILITARY ASSISTANCE TO IRAN AND THE NICARAGUAN OPPOSITION The United States Senate Washington, D.C. 20510, Applicant.	Misc. No. 87-214

MEMORANDUM OF POINTS AND AUTHORITIES IN SUPPORT OF APPLICATION FOR ORDER IMMUNIZING TESTIMONY AND OTHER INFORMATION PROVIDED BY GLEN A. ROBINETTE

The Senate Select Committee on Secret Military Assistance to Iran and the Nicaraguan Opposition is applying to this Court for an order immunizing testimony and other information which will be provided to it by one of its witnesses, Glen A. Robinette. The application is presented pursuant to 18 U.S.C. § 6005 which provides, in relevant part:

> § 6005. Congressional proceedings.
>
> (a) In the case of any individual who has been or may be called to testify or provide other information at any proceeding before either House of Congress, or any committee ... a United States district court shall issue, in accordance with subsection (b) of this section, upon the request of a duly authorized representative of the House of Congress or the committee concerned, an order requiring such individual to give testimony or provide other information which he refuses to give or provide on the basis of his privilege against self-incrimination, such order to become effective as provided in section 6002 of this part.
>
> (b) Before issuing an order under subsection (a) of this section, a United States district court shall find that--
>
> (1) * * * *

> (2) in the case of a proceeding before a committee or a subcommittee of either House of Congress ... the request for such an order has been approved by an affirmative vote of two-thirds of the members of the full committee; and
>
> (3) ten days or more prior to the day on which the request for such an order was made, the Attorney General was served with notice of an intention to request the order.
>
> (c) Upon application of the Attorney General, the United States district court shall defer the issuance of any order under subsection (a) of this section for such period, not longer than twenty days from the date of the request for such order, as the Attorney General may specify.

This law provides the mechanism by which a witness before a congressional committee receives "use immunity" for testimony. The immunized witness remains subject to prosecution for the transactions about which he or she testifies if the government sustains the burden of proving at trial that it did not use the immunized testimony or its fruits in the prosecution. See Kastigar v. United States, 406 U.S. 441, 459-62 (1972). Because the court's inquiry on an application for an immunity order is narrow and its tests are mechanical, the application may be decided ex parte without a hearing. Ryan v. Commissioner of Internal Revenue, 568 F.2d 531, 540 (7th Cir. 1977), cert. denied, 439 U.S. 820 (1978).

Section 6005 sets out the two requirements for an immunity order, both of which have been met.[1] First, "in the case of a proceeding before a committee ... the request for such an order has been approved by an affirmative vote of two-thirds of the members of the full committee." 18 U.S.C. § 6005(b)(2). The Select Committee's resolution (Exhibit A to the application), shows that the Committee approved this request for an order by a unanimous vote of its eleven members on June 4, 1987.

---

[1] The Select Committee may apply for this order prior to summoning the witness to testify or provide information at one of its proceedings. In re Application of United States Senate Permanent Subcommittee on Investigations (Cammisano), 655 F.2d 1232, 1236-38 (D.C. Cir.), cert. denied, 454 U.S. 1084 (1981).

Second, "ten days or more prior to the day on which the request for such an order was made, the Attorney General was served with notice of an intention to request the order." 18 U.S.C. § 6005(b)(3). Under 28 U.S.C. § 594(a) and (a)(7), an independent counsel has, for all matters within his prosecutorial jurisdiction, "full power and independent authority to exercise all investigative and prosecution functions and powers of the ... Attorney General ... includ[ing] ... for purposes of section[] ... 6005 of title 18, exercising the authority vested in ... the Attorney General." The testimony and other information sought to be compelled from the witness is within the investigative and prosecutorial jurisdiction that the special division of the District of Columbia Circuit has vested in Independent Counsel Lawrence E. Walsh. In re Oliver L. North, et al., Div. No. 86-6 (D.C. Cir. Division for the Purpose of Appointing Independent Counsels, Dec. 19, 1986). The accompanying certificate (Exhibit D) shows that Independent Counsel Lawrence E. Walsh was served with notice of our intention to request this order (Exhibit B); notice to the

Independent Counsel was given on June 4, 1987, which is "ten days or more prior to" today.[2]

Accordingly, the Select Committee requests that the Court issue an order immunizing the testimony and other information which Glen A. Robinette will provide at proceedings of the Select Committee.

Respectfully submitted,

Michael Davidson

Michael Davidson
Senate Legal Counsel

Ken U. Benjamin, Jr.
Deputy Senate Legal Counsel

Morgan J. Frankel
Assistant Senate Legal Counsel

Susan B. Fine
Assistant Senate Legal Counsel

642 Hart Senate Office Building
Washington, D.C. 20510
(202) 224-4435

Counsel for Senate Select Committee
on Secret Military Assistance to Iran
and the Nicaraguan Opposition

Of Counsel:

Arthur L. Liman
Paul J. Barbadoro
Mark A. Belnick

Dated: June 15, 1987

---

[2] On June 4, 1987, we also notified the Attorney General (Exhibit C) in the event that he believes that notice should also be provided to him notwithstanding 28 U.S.C. § 594(a)(7).

85

4

SELECT COMMITTEE TO INVESTIGATE COVERT
ARMS TRANSACTIONS WITH IRAN
U.S. HOUSE OF REPRESENTATIVES
and
SELECT COMMITTEE ON SECRET MILITARY ASSISTANCE
TO IRAN AND THE NICARAGUAN OPPOSITION
UNITED STATES SENATE

Washington, D.C.
Wednesday, June 17, 1987

The deposition of GLENN A. ROBINETTE, called for examination in the above-entitled matter, pursuant to notice, in the offices of the Senate Ethics Committee, Room 220, Hart Senate Office Building, Washington, D.C., convened at 10:41 a.m., before Pamela Briggle, a notary public in and for the District of Columbia, when were present on behalf of the parties:

of - 115pm

APPEARANCES:

On Behalf of the Select Committee on Secret Military Assistance to Iran and Nicaraguan Opposition of the United States Senate:

PAUL BARBADORO
Deputy Chief Counsel
KENNETH BALLEN, Staff Counsel
JOHN R. MONSKY, Staff Counsel
Room 901
Hart Senate Office Building
Washington, D.C.

On Behalf of the Select Committee to Investigate Arms Transactions with Iran of the U.S. House of Representatives:

GEORGE W. VAN CLEVE
Room H-149, U.S. Capitol
House of Representatives
Washington, D.C.

On Behalf of the Witness:

MARK H. TUOHEY, III, ESQUIRE
Pierson, Ball & Dowd
1200 18th Street, N.W.
Washington, D.C.

Also Present: Thomas Polgar

CONTENTS

WITNESS	EXAMINATION
GLENN A. ROBINETTE	
By Mr. Barbadoro	4
By Mr. Van Cleve	

EXHIBITS

NUMBER	FOR IDENTIFICATION
GR-1	4
GR-2A-B	4
GR-3	4
GR-4A-B	4
GR-5A	4
GR-6A-B	4
GR-7A-F	4
GR-8A-E	4
GR-9A-B	4
GR-10A-B	4
GR-11A-B	4

UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF COLUMBIA

SENATE SELECT COMMITTEE ON SECRET
MILITARY ASSISTANCE TO IRAN AND
THE NICARAGUAN OPPOSITION

The United States Senate
Washington, D.C. 20510,

Applicant.

Misc. No. 87-214

FILED

JUN 15 1987

CLERK, U.S. DISTRICT COURT
DISTRICT OF COLUMBIA

ORDER

Upon consideration of the application by the Senate Select Committee on Secret Military Assistance to Iran and the Nicaraguan Opposition, and upon determining that the procedural requirements set forth in 18 U.S.C. § 6005 have been satisfied, it is, this 15th day of June, 1987,

ORDERED That Glen A. Robinette may not refuse to testify, and provide other information, at proceedings of the Senate Select Committee on Secret Military Assistance to Iran and the Nicaraguan Opposition, on the basis of his privilege against self-incrimination, and it is

FURTHER ORDERED That no testimony or other information compelled under this Order (or any information directly or indirectly derived from such testimony or other information) may be used against Glen A. Robinette in any criminal case, except a prosecution for perjury, giving a false statement, or otherwise failing to comply with this Order.

United States District Judge

United States District Court
for the District of Columbia
A TRUE COPY
JAMES F. DAVEY, CLERK,
By Evette R. Durhan
Deputy Clerk

Ex. GR-11B

MICHAEL DAVIDSON
COUNSEL
KEN U. BENJAMIN, JR.
DEPUTY COUNSEL
MORGAN J. FRANKEL
SUSAN B. FINE
ASSISTANT COUNSEL

PHONE 202-224-4435

United States Senate
OFFICE OF SENATE LEGAL COUNSEL
WASHINGTON, DC 20510-7250

NOTICE OF INTENTION TO REQUEST ORDER CONFERRING IMMUNITY

TO: The Honorable Lawrence E. Walsh
Independent Counsel
555 13th Street, N.W., Suite 701
Washington, D.C. 20004

Please take notice that the undersigned, as representative of the Senate Select Committee on Secret Military Assistance to Iran and the Nicaraguan Opposition, will request the United States District Court for the District of Columbia, pursuant to 18 U.S.C. § 6005 and 2 U.S.C. §§ 288b(d) and 288f, to issue an order immunizing from use in prosecutions the testimony of, and other information provided by, Glen A. Robinette at proceedings of the Select Committee.

Michael Davidson
Michael Davidson
Senate Legal Counsel
642 Senate Hart Building
Washington, D.C. 20510
(202) 224-4435

Dated: June 4, 1987

EXHIBIT B

MICHAEL DAVIDSON
COUNSEL
KEN U. BENJAMIN, JR.
DEPUTY COUNSEL
MORGAN J. FRANKEL
SUSAN B. FINE
ASSISTANT COUNSEL

PHONE 202-224-4435

United States Senate
OFFICE OF SENATE LEGAL COUNSEL
WASHINGTON, DC 20510-7250

NOTICE OF INTENTION TO REQUEST
ORDER CONFERRING IMMUNITY

TO: The Honorable Edwin Meese III
The Attorney General of the United States
Washington, D.C. 20530

Please take notice that the undersigned, as representative of the Senate Select Committee on Secret Military Assistance to Iran and the Nicaraguan Opposition, will request the United States District Court for the District of Columbia, pursuant to 18 U.S.C. § 6005 and 2 U.S.C. §§ 288b(d) and 288f, to issue an order immunizing from use in prosecutions the testimony of, and other information provided by, Glen A. Robinette at proceedings of the Select Committee.

Michael Davidson
Michael Davidson
Senate Legal Counsel
642 Senate Hart Building
Washington, D.C. 20510
(202) 224-4435

Dated: June 4, 1987

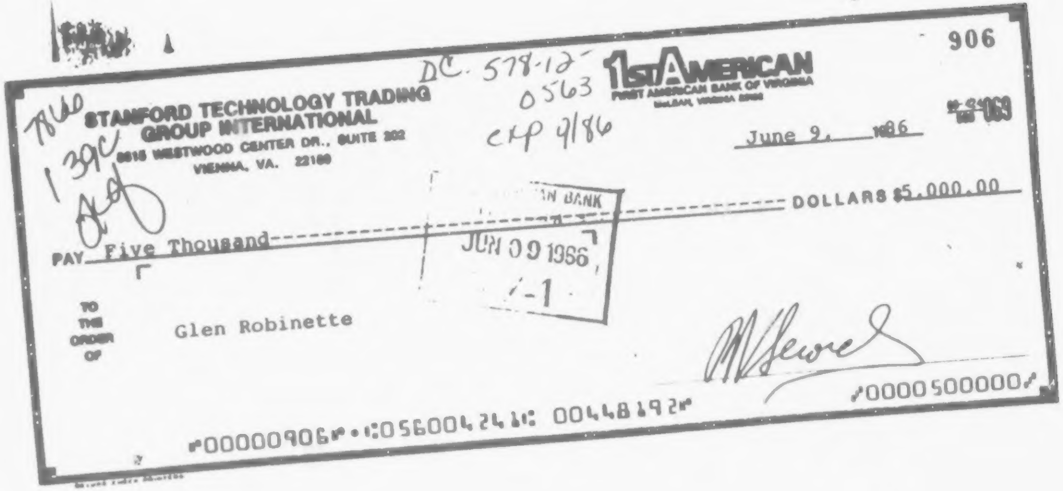
EXHIBIT C

CERTIFICATE OF SERVICE

I certify that on June 4, 1987, in accordance with 18 U.S.C. § 6005(b)(3) and 28 U.S.C. § 594(a)(7), I caused to be hand delivered to The Honorable Lawrence E. Walsh, Independent Counsel, and the Honorable Edwin Meese III, the Attorney General of the United States, notices of the intention of the Senate Select Committee on Secret Military Assistance to Iran and the Nicaraguan Opposition to seek an order conferring immunity upon Glen A. Robinette.

Michael Davidson
Michael Davidson
Senate Legal Counsel

EXHIBIT D



906

STANFORD TECHNOLOGY TRADING GROUP INTERNATIONAL
8615 WESTWOOD CENTER DR., SUITE 202
VIENNA, VA. 22180

1st AMERICAN
FIRST AMERICAN BANK OF VIRGINIA

[illegible]
1 39C

DC. 578-12
0563
CKP 9/86

June 9, 1986

PAY Five Thousand DOLLARS $5,000.00

TO THE ORDER OF Glen Robinette

AN BANK
JUN 09 1986
-1

00000906 056004241 00448192 0000500000

STG

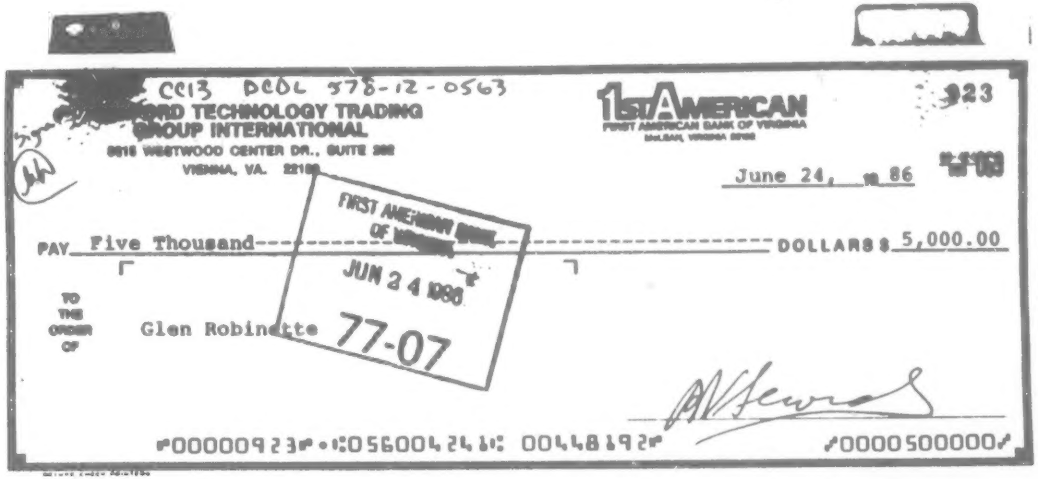
8565

Ex. GR-2A

Allen Robinette

STG 8565

DOCKETED JE 26 09 59-424



CC13 DCDL 578-12-0563

[illegible]ORD TECHNOLOGY TRADING
GROUP INTERNATIONAL
8615 WESTWOOD CENTER DR., SUITE [illegible]
VIENNA, VA. 2218

1stAMERICAN
FIRST AMERICAN BANK OF VIRGINIA
McLEAN, VIRGINIA [illegible]

923

June 24, 19 86

PAY Five Thousand------------------------------------DOLLARS $ 5,000.00

TO THE ORDER OF Glen Robinette

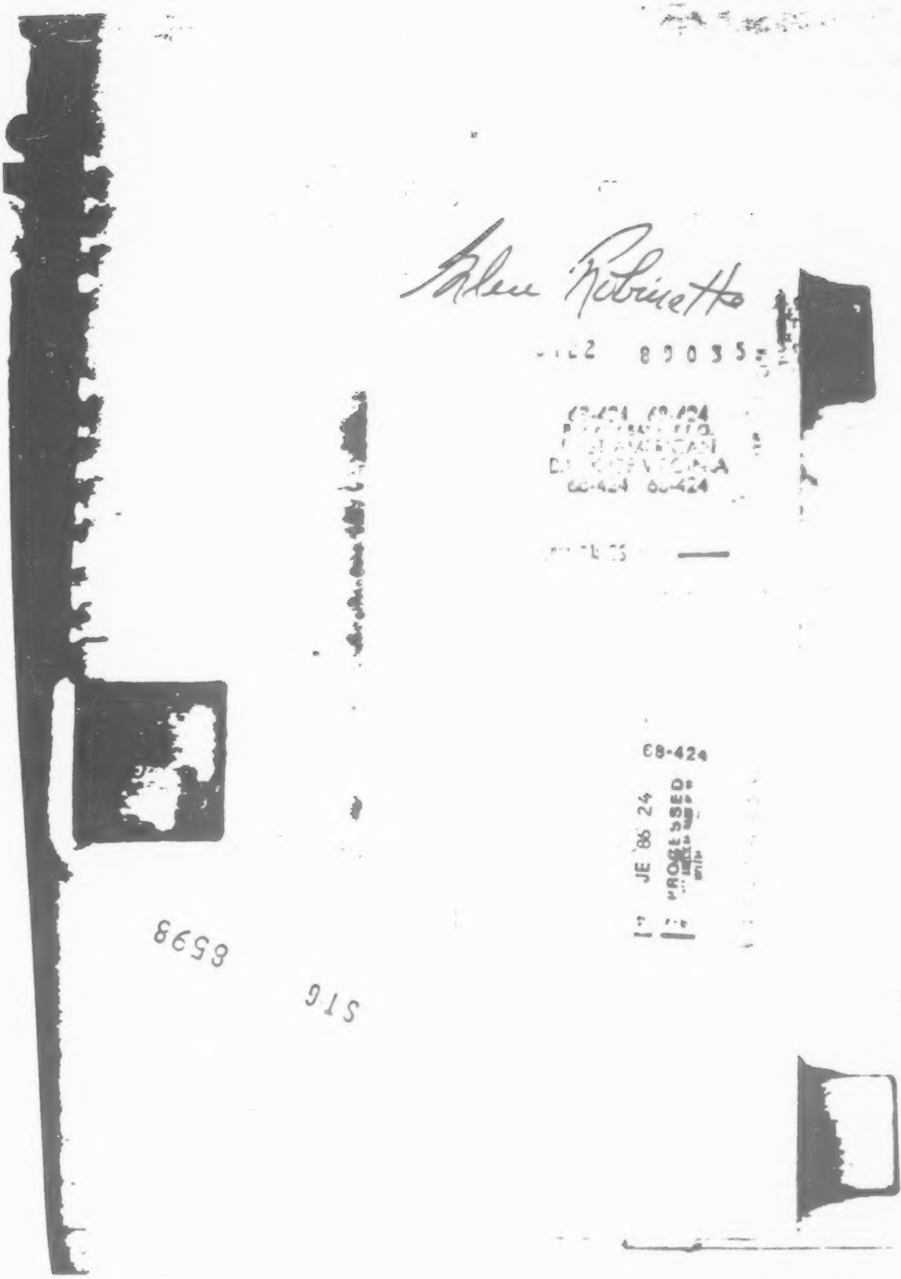
FIRST AMERICAN BANK OF [illegible]
JUN 24 1986
77-07

AVStewar

⑈000009 23⑈ ⑆056004241⑆ 00448192⑈ ⑇0000500000⑇

8527

Ex. GR-2B



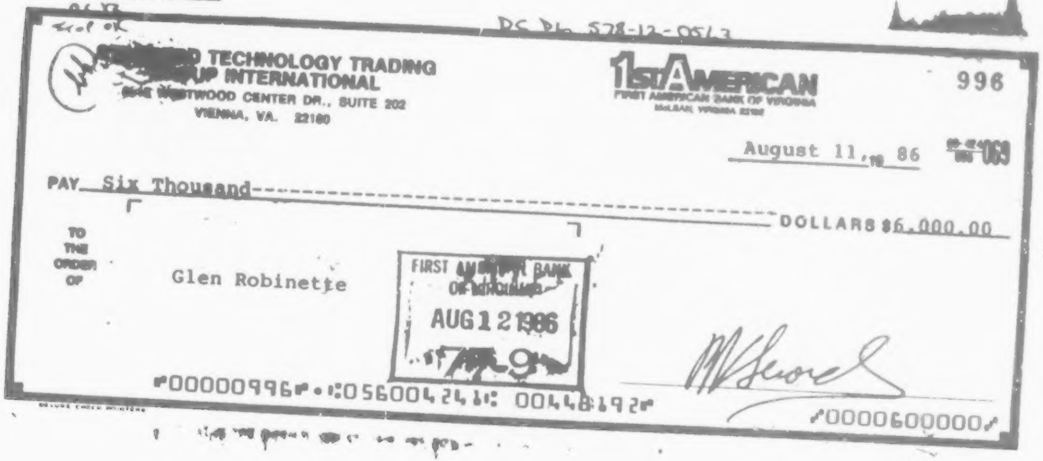
Arlene Robinette

89035

68-424 68-424
FIRST AMERICAN
BANK OF VIRGINIA
68-424 68-424

68-424
JE '86 24
PROCESSED

[redacted]



96 XX
Ent ok

DS Ph 578-12-0513

[redacted] TECHNOLOGY TRADING
[redacted]UP INTERNATIONAL
TWOOD CENTER DR., SUITE 202
VIENNA, VA. 22180

1st AMERICAN
FIRST AMERICAN BANK OF VIRGINIA
McLEAN, VIRGINIA

996

August 11, 19 86

PAY Six Thousand-- DOLLARS $6,000.00

TO THE ORDER OF Glen Robinette

FIRST AMERICAN BANK OF VIRGINIA
AUG 12 1986

⑈00000996⑈ ⑆056004241⑆ 00448192⑈ ⑈0000600000⑈

Ex. GR-2B
6/17/87 RRB

952

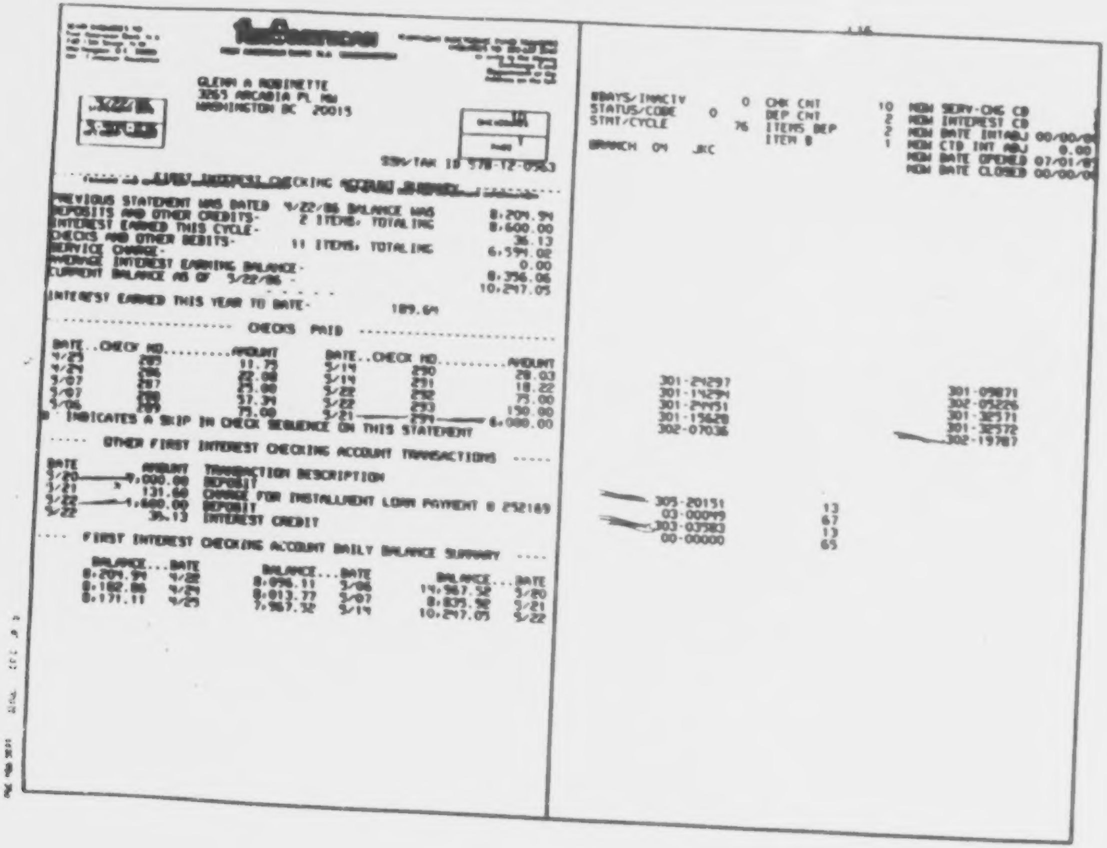
Alice Robinette

0114 46810

68-424 68-424
[illegible]
68-424 68-424

AG 12 87

68-424
AG 86 12
PROCESSED
68-424



GLENN A ROBINETTE
3253 ARCADIA PL NW
WASHINGTON DC 20015

SSN/TAX ID 578-12-0563

FIRST INTEREST CHECKING ACCOUNT SUMMARY

PREVIOUS STATEMENT WAS DATED 4/22/86 BALANCE WAS		8,209.94
DEPOSITS AND OTHER CREDITS-	2 ITEMS, TOTALING	8,600.00
INTEREST EARNED THIS CYCLE-		36.13
CHECKS AND OTHER DEBITS-	11 ITEMS, TOTALING	6,599.02
SERVICE CHARGE-		0.00
AVERAGE INTEREST EARNING BALANCE-		8,356.06
CURRENT BALANCE AS OF 5/22/86 -		10,247.05

INTEREST EARNED THIS YEAR TO DATE- 189.64

CHECKS PAID

DATE	CHECK NO	AMOUNT	DATE	CHECK NO	AMOUNT
4/25	285	11.75	5/14	290	28.03
4/29	286	22.08	5/14	291	18.22
5/07	287	25.00	5/22	292	75.00
5/07	288	37.39	5/22	293	130.00
5/06	289	75.00	5/21	294	6,000.00

* INDICATES A SKIP IN CHECK SEQUENCE ON THIS STATEMENT

OTHER FIRST INTEREST CHECKING ACCOUNT TRANSACTIONS

DATE	AMOUNT	TRANSACTION DESCRIPTION
5/20	7,000.00	DEPOSIT
5/21	131.60	CHARGE FOR INSTALLMENT LOAN PAYMENT @ 252169
5/22	1,600.00	DEPOSIT
5/22	36.13	INTEREST CREDIT

FIRST INTEREST CHECKING ACCOUNT DAILY BALANCE SUMMARY

BALANCE	DATE	BALANCE	DATE	BALANCE	DATE
8,209.94	4/22	8,096.11	5/06	14,967.52	5/20
8,182.86	4/29	8,013.77	5/07	8,835.92	5/21
8,171.11	4/25	7,967.32	5/14	10,247.05	5/22

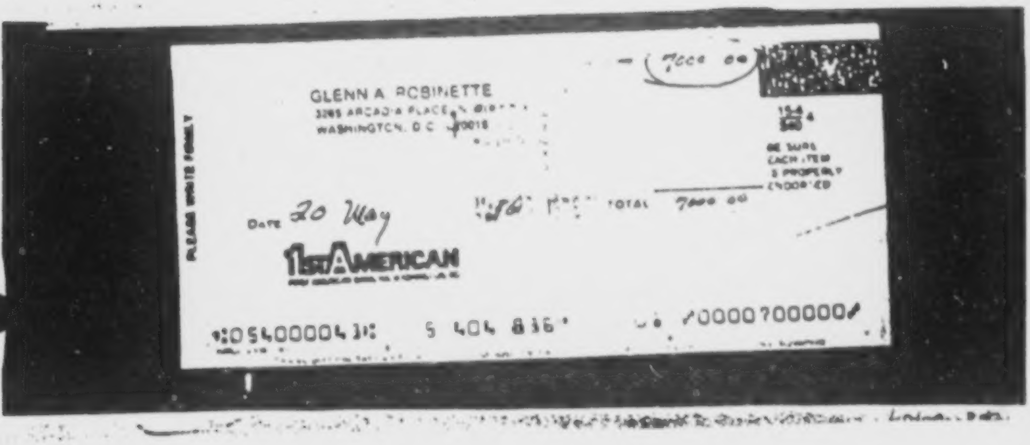
#DAYS/INACTV	0	CHK CNT	10	NOW SERV-CHG CD	
STATUS/CODE	0	DEP CNT	2	NOW INTEREST CD	
STAT/CYCLE	76	ITEMS DEP	2	NOW DATE INTADJ	00/00/0
		ITEM 8	1	NOW CTD INT ADJ	0.00
BRANCH 04	JKC			NOW DATE OPENED	07/01/8
				NOW DATE CLOSED	00/00/0

301-24297
301-14294
301-24451
301-15628
302-07036

301-09871
302-05226
301-32571
301-32572
302-19787

305-20151
03-00049
303-03583
00-00000

13
67
13
65



PLEASE WRITE FIRMLY

— (7000 00) [redacted]

GLENN A. ROBINETTE
3285 ARCADIA PLACE, N
WASHINGTON, D.C. 0015

15-4
540 4

BE SURE
EACH ITEM
IS PROPERLY
ENDORSED

TOTAL 7000 00

Date 20 May

1st AMERICAN

⑆054000043⑆ 5 404 836 /0000700000/

UNCLASSIFIED

HSIC DOC 787

TRANSCRIPT OF PROCEEDINGS

CONFIDENTIAL

UNITED STATES SENATE

SELECT COMMITTEE ON
SECRET MILITARY ASSISTANCE TO
IRAN AND THE NICARAGUAN OPPOSITION

~~CONFIDENTIAL~~

DEPOSITION OF FELIX I. RODRIGUEZ

~~CONFIDENTIAL~~

tially Declassified/Released on 20 Aug 1987
under provisions of E.O. 12356
D. Reger, National Security Council

3715

Washington, D. C.

Friday, May 1, 1987

UNCLASSIFIED ~~CONFIDENTIAL~~

ACE-FEDERAL REPORTERS, INC.
Stenotype Reporters
444 North Capitol Street
Washington, D.C. 20001
(202) 347-3700
Nationwide Coverage
800-336-6646

Original

COPY NO. 1 OF 1 COPIES

UNCLASSIFIED

7680 01 01

kepaulus

UNITED STATES SENATE

SELECT COMMITTEE ON

SECRET MILITARY ASSISTANCE TO

IRAN AND THE NICARAGUAN OPPOSITION

DEPOSITION OF FELIX I. RODRIGUEZ

Washington, D.C.

Thursday, April 30, 1987

Deposition of FELIX I. RODRIGUEZ, called for examination pursuant to subpoena, at the Hart Senate Office Building, Suite 901, at 10:35 a.m., before Michael G. Paulus, a notary public in and for the District of Columbia, when were present on behalf of the respective parties:

PAUL BARBADORO, ESQ.
Deputy Chief Counsel
United States Senate Select
Committee on Iran and the
Nicaraguan Opposition

- continued -

UNCLASSIFIED

TOM P. POLGAR, ESQ.

RICHARD CULLEN, ESQ.

RICHARD ARENBERG, ESQ.

UNCLASSIFIED

CONTENTS

WITNESS	EXAMINATION
Felix I. Rodriguez	
By Mr. Barbadoro	4

EXHIBITS

(None.)

UNCLASSIFIED

7680 01 01

'kepaulus

PROCEEDINGS

Whereupon,

FELIX I. RODRIGUEZ

was called as a witness and, having been first duly sworn, was examined and testified as follows:

EXAMINATION

BY MR. BARBADORO:

Q Mr. Rodriguez, you received a letter from Colonel North in September of 1985, did you not?

A Yes, sir, I did.

Q When did you receive that letter, exactly?

A It was dated the 20th and I received it on the 29th.

Q You have provided the committee with a copy of that letter, correct?

A Yes, sir, I have.

Q Can you tell me in general terms what that letter asked you to do?

A It was basically to set up a logistical aspect of the Nicaraguan freedom fighters resupply network. The letter actually said only to be able to produce maintenance at the area where I was able to help in Central America.

Q Did this letter ask you to provide storage facilities for ammunition and humanitarian aid?

A No, sir. Not at that time.

Q It only asked you to provide maintenance facilities?

A Right. Space in the area where airplanes could be serviced on a week basis and two or three different types of aircraft.

Q What did you do after you received the letter?

A I talked to the proper people that I was asked to contact and that I knew and had good relations with and acquired the okay to go ahead and use that area for maintenance of the aircraft. On the following day I notified Colonel North over the telephone that it was a go.

Q Did Colonel North give you any instructions at that time?

A In the letter he said that the individual who was going to help me to set this up will call me or contact me and identify himself as coming from Mr. Green.

Q Did you ever receive a call from someone who identified himself as working for Mr. Green?

A Yes, I did, sir. I received a call, I would say, approximately (witness reviewing notebook) -- I would say it was the 14th of December 1985. I received a call in my room at the air base where I was and the individual that I knew from before identified himself as coming from Mr. Green.

Q Who did you know this individual to be?

A Raphael Quintero.

Q What did the person say to you in the phone call?

A He identified himself and then he said if I could arrange the arrival of a Boeing 707 from Europe -- the way he described it was it was bringing heavy stuff, and if I could keep it in the area of my responsibility. I said I would check with the local people and to contact me later. ~~W~~which he did, and I was able to get the okay from our friendlies in the area to go ahead and receive this aircraft with the heavy stuff we had assumed was military equipment.

Q Did he ask you to provide a facility to store the material brought in on it?

A Yes. He asked me if it was possible for me to store it in the area. It was possible in local facilities

UNCLASSIFIED

to store it, which we did.

Q When did the aircraft arrive?

A The aircraft arrived on the following day, which I believe was on the weekend, a Saturday, and it was a Boeing 707 from Southern Air Transport.

Q What did the plane contain?

A The plane contained mainly, if I recall correctly, hand grenades, 81 millimeter mortar rounds, 60 millimeter mortar rounds, ammunition of different calibers, and perhaps some 40 millimeter rounds. There were several shipments later on. So I am taking all that arrived could have been on that plane. The other three eventually did all arrive with this type of equipment. Some C-4 explosives, detonators and primers, etc. It was approximately 88,000 pounds.

Q What did you do with the material that was brought in on the plane?

A The material that was brought in was stored in a local facility belonging to a local officer of the area.

Q Did you meet with Colonel North in December of 1985 in Central America?

A Yes, sir. Colonel North visited the area where

UNCLASSIFIED

I was working on a helicopter program, on December 30, 1985, if I recall correctly.

Q How did he get to Central America?

A He arrived, I believe, in a Jetstar aircraft.

Q Who was with him?

A My understanding is it was to coordinate the legal humanitarian aid approved by Congress, and aboard that aircraft was [redacted]. I had known him before when he was number three man for Ambassador [redacted] [redacted] There was [redacted], who I understand was from the agency. During that meeting were also present the Ambassador [redacted] his political officer, if I recall correctly, and [redacted] and myself. Probably [redacted], but I'm not sure.

Q In general terms, what was discussed at that meeting?

A If I understand correctly, they were having problems with being able to bring in humanitarian aid into [redacted] because of some kind of political situation and they thought of the possibility of temporarily using [redacted]

[redacted] to have there the humanitarian aid that was being approved by Congress. They wanted to make sure that nothing was stolen or lost and they had to create a balance and check type of situation on everything that arrived and departed from there.

Q Up to that point had any humanitarian aid arrived at your location in Central America?

A No, sir.

Q At some point after that did humanitarian aid arrive at that location?

A Yes, sir. Later on, in the beginning of 1986, there was an L100 from Southern Air that did carry some Butler buildings to be built for this purpose. And also some humanitarian aid, I believe, came along on the same aircraft.

Q Was that in January of 1986?

A To the best of my recollection, it was January 17 when the first flight arrived, and I told you that later on I would provide you with more details.

Q During the entire time that you were down there, that being 1985 and 1986, how many flights of humanitarian aid arrived?

A I cannot really be sure at that time. There were not many. Maybe two, maybe less, maybe three. I will be able to answer that question after I go back to Miami and look at some notes that I may have, to be accurate.

Q Where would the humanitarian aid be stored?

A It was supposed to be stored in that warehouse that was being built, the Butler buildings.

Q During 1985 and 1986 did more lethal aid arrive at your location?

A Yes, sir. In 1986 there were several 707s coming from Europe, also for Southern Air, that arrived in the area. At one point two aircraft came in one day after the other, which I believe to be the 25th and 26th of May. It was also military equipment, and approximated between 88,000 and 90,000 pounds apiece. Same type of material that I already described before.

Q In total, how many flights of lethal aid were brought into your location?

A To the best of my recollection, there were somewhere between five, probably six, but not much more than that. I will try to provide more accurate records later on.

Q Do you have an estimate of the total number of pounds?

A Yes, sir. The estimate that we believe we had in the warehouse for military aid did not go over 500,000 pounds.

Q Do you recall a meeting again with Colonel North in Central American in April 1986?

A Yes, sir. I recall a meeting with the colonel on April 20, 1986.

Q How did Colonel North get to Central America on that occasion?

A He was using the same aircraft he had used before, the Jetstar, and he arrived the 20th of April into this friendly country, and he was accompanied by retired General Secord, Dick Gadd, all the members of the crew that had been recruited for the resupply operation. There was a meeting held at that location. [redacted] from the FDN came to discuss the aid to Nicaraguan freedom fighters.

Q What did you understand General Secord's role to be in this resupply operation?

A General Secord seemed to be the individual in charge of all the operation itself as far as personnel was

UNCLASSIFIED

concerned and the logistics in the program. He was the one who controlled the individuals who came on that plane.

Q Prior to this meeting had you had any discussions with General Secord over the phone.

A Well, I realized later on that I did have a discussion with the general over the telephone over an incident of a mechanic that was brought into the area where I was, a conflicting type of situation.

Q Can you describe that incident?

A Yes, sir. One day we were called by Mr. Gadd, if I recall correctly. They gave us a name, which I have now forgotten, but I am sure that you have it. It was an individual who was going to be working for us as a mechanic in this project. He arrived. We sent a couple of people to pick him up at the airport. They really could not recognize the individual, so they returned.

Later on this individual called from the hotel. When they picked him up they said it was hard to recognize him because he looked pretty old, that he could be going into a nursing home.

This individual came to the house that we had provided for him. The first night he drank 24 beers; the

UNCLASSIFIED

second night he drank 36 beers. He told one of our kickers working in the project that he was told that this was a money-making operation, that he had fixed one plane in [redacted] at one time was doing contraband in Mexico for $5,000 in one night; and he also fixed drug planes in Puerto Rico, from Colombia.

At this point I told [redacted] who brought me the information, I didn't even want to meet him or have him know what the operation was about, and tried to prepare his return to the United States on the following day.

After that I did call Colonel North, to his telephone in the White House. I started explaining to him the circumstances of this individual and my decision to send him back immediately without further explanation what the program was. He said to me here is the man you have to talk to about it, who was in charge of that, if I understand correctly. Or similar words. He put on the phone a man he identified as Dick. At the beginning I thought it was Mr. Gadd, but later on I realized he was General Secord.

I explained the situation to the general in a very strong voice like he has, and he told me he would take care of it. At that point I told him I was sending this individual back to the states, and he agreed to it.

Q Did the mechanic end up being sent back to the United States?

A Yes, sir, and I don't think he ever knew what the operation was all about.

Q Let's go back to the April 20 meeting. What was the purpose of that meeting?

A The purpose of that meeting was trying to coordinate with the FDN the support to the north front also and explain to [redacted] the use of these aircraft. The FDN was apparently very unhappy with the type of aircraft, because of the poor condition of it and low speed of the aircraft, and also the small capability of carrying equipment in it. They thought it was taking a lot of risk in one of these aircraft to resupply their units. It would carry cargo of probably less than 5,000 pounds, and the 123 less than 10,000 pounds in reality when you have to fill them up. He explained his concerned and that the FDN fighters were not willing to fly this type of aircraft.

He was told by Colonel North that they had

UNCLASSIFIED

professional people who had done it very successfully in other parts of the world and they would prove to the FDN that these aircraft were adequate for the job and at the present time there would be a U.S. crew flying them, that there were European crews being prepared to come in and eventually train the Nicaraguan pilots to do the job afterwards.

Q When [redacted] complained to Colonel North about the condition of the aircraft did Colonel North give an explanation to [redacted] as to where the aircraft had come from?

A Yes, sir. When [redacted] told the colonel why not give him the money to buy more decent aircraft than these Colonel North explained to him there was no money involved in this transaction, that these aircraft were a donation to the freedom fighters, and that if he had the money he would have bought for them a C-130; since he didn't, it is better to have this type of aircraft than nothing, and we will provide whatever he was getting as donations from people.

Q Mr. Rodriguez, could you describe what your role in this resupply operation was in general terms?

UNCLASSIFIED

A My main thing, which I self-imposed on myself, in the area was to help the local people with the helicopter concept to eliminate the communist guerillas in the area.

Q That was working with the host government; is that right?

A Yes, sir.

I do strongly support the Nicaraguan freedom fighters after losing my native country to communism, and I was all for supporting Colonel North in the effort to help these people.

Q What support did you give to this effort?

A Basically, I was the main liaison with the host government in the area and was responsible for getting ID cards on the base to come in and out, and to coordinate the clearance to leave the air base on the missions and back, and the arrival and departure of material in that area.

Q At some point did you decide to end your involvement with the resupply effort?

A Yes, sir, I did.

Q When was that?

A That was shortly after this meeting that Colonel

North came to the area. I hate to say, but I had known a lot of these people who came to be known to me as time went by in this process, and I was not very happy with the caliber of personnel involved in this operation. I felt that the background of these individuals would eventually create a problem not only for the Nicaraguan freedom fighters but for the administration.

Q And that was the reason that you decided to leave the operation?

A Yes, sir.

Q What did you do when you made this decision to leave?

A I went to the host officer that I had originally talked to to help me. I told him that I was tired, that I had been away from my family for over a year, and the program that I was involved in with the helicopters was working properly and I was going to leave.

At that point he told me he felt that my presence in the area was important and that I should stay. I agreed with him that I would return later on and explain to him all of the details if I finally decided to leave the area.

I went to see the ambassador in the afternoon. He had no idea that I was involved in the military aspect of it. He knew that I had participated in the humanitarian aid program. None of this did I express to the ambassador. I just told him the same thing I told my friend, that I was tired and that I had been away from the family too long and I was going to leave the area, and that I was also tired from begging for airline tickets from a friend of mine to be able to commute back and forth from that area.

At that point the ambassador saw that I was doing a good job with the helicopter concept in the area, that I should stay. He asked me to stay. He asked me for my address and telephone number so that we could maintain a personal relationship; that he appreciated it the same as I did.

I also told him that I was planning to come to Washington soon to visit the vice president. I had requested the meeting in order to brief him on what I done in a little bit over a year in the area, my results with the helicopter concept, and also explain to the vice president the reason I was going to leave the area.

UNCLASSIFIED

Q Did that meeting with the vice president take place?

A Yes, sir. That meeting took place on May 1, 1986.

Q Before that meeting you met with Colonel North, correct?

A Yes, sir, I did.

Q Could you describe what happened in your meeting with Colonel North?

A Yes, sir. I asked to be cleared into the White House a little bit earlier. I basically told him the same thing I had said before. I explained to the colonel that I was tired, that I wanted to leave, and that I was planning to leave at that point in time to express it to the vice president. He told me that my help was very needed and useful in this program and that he knew that all soldiers get tired and I should consider staying; to go ahead and take two weeks vacation but stay in the program. Which I did not agree with, and I said I was still leaving.

At that point I left, because my time was getting close to my meeting with the vice president. I came down to the second floor. At the time, if I recall

UNCLASSIFIED

correctly, the vice president was acting president since President Reagan was in Japan or somewhere.

So we went to the other side of the White House, Mr. Gregg, Sam Watson, his assistant, and myself, and we met the vice president, who was with Nick Brady, former senator. He told me he wanted the senator to stay since he was very much interested in Central America and had been on the Kissinger Commission.

So we had the meeting from approximately 11:30 in the morning until 12:00 noon.

Q In that meeting did you describe what you had done in implementing your helicopter concept?

A I explained to the vice president from the beginning of my arrival in the area the problem I confronted in establishing my concept until I had the good luck of capturing [redacted], and from then on I had a lot of support from the local individuals. I explained to him the statistics that I had been given on the reduction of the guerillas since I had been in the area and how good the concept was going.

I also brought an album with pictures on the concept that I was doing with helicopters, etc.

UNCLASSIFIED

In the middle of that meeting one of his aides came in and requested that [redacted] wanted to step in for a moment to say hello. The vice president said that he was already late for another appointment, but this individual insisted. So he said only for a short time.

The Ambassador came in accompanied by Colonel North. Colonel North stayed in the background. The ambassador said hello to all of us and then asked the vice president to use his influence in getting me to stay [redacted] He explained to the vice president he was very happy with what I had done there, and as long he was ambassador [redacted] [redacted] for me to stay in there and continue to help.

Q Had you told the vice president that you were planning to leave at that point?

A No, sir, I didn't. So I really believe that the vice president didn't know what the hell he was talking about. I guess we all have feelings, and I, of course, felt good that the ambassador would do that, and I made the mistake of not following through with my decision.

I didn't mention anything to the vice president. I want to make sure to stress that at no point in time did I mention to the vice president anything else that I was involved in.

Q You didn't tell him anything about your efforts with the resupply?

A Not to him. Only a member of his staff.

Q So you decided at that point that you would continue to work in Central America?

A Yes, sir. I figured out that eventually the agency would take over this project and the best thing that could happen is that it would be gone and the agency would take care of the operation and that would be the end of this program.

Q So you returned to Central America and continued to work with both the host government in implementing your helicopter concept and with the resupply operation as a liaison to the host government; is that right?

A Yes, sir, I did.

Q Did you attend a meeting in the Old Executive Office Building with Colonel North in June 1986?

A Yes, sir, I did. June 25, 1986.

Q How did that meeting come about?

A I was called in the area where I was in Central American on June 23rd by Mr. Quintero, and he told me they

UNCLASSIFIED

were reorganizing the whole program and they wanted me to go up to Washington on the 25th for a consultation with Colonel North and Mr. Dutton.

Q Did he tell you why they were reorganizing the program?

A He just mentioned they were reorganizing the whole thing. He didn't quite go into detail.

Q What happened when you got to Washington?

A I talked to Mr. Dutton on the 24th, in the evening, and we agreed to meet at the Marriott Hotel on the 25th, about 11:30, if I recall correctly. We had the meeting with Colonel North from 12:00 noon in the White House. So we went to the White House.

On my way there I was curious to find out from him who actually brought him aboard this program, so I asked him before we got into the White House door. He told me that it was General Secord.

He was cleared immediately and mine was delayed. I don't know if it was done purposely or not.

Q That is, your clearance to get into the Old Executive Office Building?

A Yes, sir.

UNCLASSIFIED

I also had requested a clearance, since I was in Washington, to go into the White House at 1:30 in the afternoon in order to be able to pick up some pictures that were taken on May 20th between a general friend of mine and his wife with the vice president. They asked me to come around at that time. So I called my friends up there to get me cleared since my clearance was being delayed already for about 10 or 15 minutes.

So I went with Mr. Dutton to the third floor, to a new office that I didn't know, that Colonel North had moved into. And that's where we had the meeting.

Q What happened at the meeting?

A When we first came in Mr. Dutton gave me the pamphlet or paper that he had done with the organization of the program.

Q Can you describe what was on that piece of paper?

A It was sort of a nice organization of the whole resupply network with names and coordinators and supervisors. It looked very organized. And my role in that was a liaison between his group and the host government in the area.

Q This was a diagram of the structure of the operation; is that right?

A A diagram of responsibility for every post.

Q And you were listed as the liaison to the host government on that diagram?

A Yes, sir.

Q What did you do when you were presented with the diagram?

A I smiled and I gave it back to him.

Q What was your reaction when you saw what they had envisioned for you on this diagram?

A Not much. My speculation was that they thought the Congress was going to approve the aid to the Nicaraguan freedom fighters and they were preparing a schematic for an operation running and going and trying to get a contract from the Central Intelligence Agency to provide part of the resupply to the Nicaraguan freedom fighters.

Q Had you heard any discussion among the employees of the private benefactors about the possibility that the CIA would contract out this service to this organization?

A Yes, sir. Most of the pilots were very confident that they would get the contract to continue with the program if the Congress approved -- like it did -- the aid to the Nicaraguan freedom fighters.

Q What happened next in that meeting?

A We went into a meeting between Mr. Dutton, Colonel North and myself. Colonel North started by telling me -- he referred to Mr. Dutton as Bob -- "Bob here has told me that you have been very helpful to the crews down there and the pilots have suggested that you become part of this organization. So we have suggested that in your role as liaison you be paid $3,000 a month." To which I explained to the colonel that I was retired and I was not able to receive a salary per se. Only operations expenses.

He also told me right after that that he wasn't too sure that could be done, even me being the liaison, because he had information that I was a security risk, that I used to talk too much over the telephone, on open lines, and also on an amateur radio that I had in my area in Central America.

Q What did you tell him when he told you you were a security risk?

A If you will excuse my wording, sir, I told him that if he thought I was a security risk he can stick this goddam operation -- fuck it. I didn't want a goddam thing to do with. And I asked him to show me where I had been a security risk in all of this. He explained to me that the Freedom of Information Act prohibits people from releasing names, etc. So I asked him how he learned about it. He said, well, there is only one American in the area who talks over the telephone that we know of and who has an amateur radio.

To that I told the colonel that I would sign to him a release from the CIA, from the FBI, from the National Security Agency, and the National Security Council where they will have access, and even if they want to publish in the past, in the present and in the future any conversations I might have had over the telephone or any other means that would prove I have been a security risk or put in jeopardy any operations I have participated in.

To that he lowered his face and he made some notes, and he didn't mention about that anymore.

Q What happened then?

A During the conversation Mr. Dutton mentioned that he had $1.5 million with which he had to buy one aircraft. We had to be careful not to spend too much money, because the money would also have to take care of all the maintenance for one year of the program, and salaries and all expenditures to run the program for one year.

At one point in time I told the colonel that I wanted to talk to him alone. He was looking at the hearings that were taking place that day. Actually, my understanding is during that day eventually the aid to the Nicaraguan freedom fighters was approved by Congress, the $100 million. He looked at the TV and he said "Those people want to get me, but they cannot, because the Old Man loves my ass."

Q When he pointed to the TV set Congress was on the TV?

A Yes, sir. They were discussing the Nicaraguan freedom fighters aid.

I told him I wanted to talk him privately. I had learned through other sources -- I don't know whether it was true or not, but I had reason to believe it could have been true -- that a boat had arrived in [redacted] before that and that the manifest was retrieved by the

UNCLASSIFIED

[redacted] and they claimed there were hand grenades in there for the Nicaraguan freedom fighters that were bought at $3.00 apiece and being sold to them at $9.00 apiece. The gentleman who was supposed to receive the money for that was Tom Kline.

At that point I sort of recognized the part of the old group of Mr. Wilson, with whom I used to friends many years before. I had separated for ideological reasons in 1979. I explained that to Colonel North. I actually told him when we were alone, "Look, colonel, you will never find any guy more dedicated or honest than I am in this, but there are people stealing here. My understanding is there are hand grenades being bought at $3.00 apiece and sold for $9.00, and it amounts to 100,000 hand grenades. This is going to be worse than Watergate and is going to destroy the President of the United States."

To that, he told me it was not true, that Mr. Kline was a patriot, that he was not buying any type of equipment; they were all donations, and he didn't touch any money in that.

I also explained the age of some of the 81 millimeter rounds that were built in 1952 or 1954. They

UNCLASSIFIED

were very old. He told me that when they were a donation he could not control the age of it.

He also explained to me if I said this to anybody they would deny it, that he did carry a letter from the President of the United States to the Government of [redacted] where he requested the rate, and all of these materials from [redacted] are a donation and we didn't pay a cent for it. Since I have been told by a lot other people that we were buying the equipment, at that point I decided I better terminate the conversation, which I did.

Q At some point during that meeting did you discuss a letter that you had brought with you concerning the condition of the aircraft?

A Yes, sir. There was an incident with one C-123. Almost everybody got killed because of poor navigational equipment. They were off ten miles south in [redacted] territory going toward a mission and they hit the top of a mountain. They actually had wood inside one of the engines, which was completely destroyed, and there was damage to the bottom of the 123 aircraft.

Right after that Copilot [redacted] wrote a very emotional letter explaining all the problems with the

UNCLASSIFIED

aircraft and the special situation of why he got involved in that operation, by pride, but it would never happen again. It was a very emotional letter that I got a hold of, and I gave it to the colonel.

Q Was Mr. Dutton in the room when you gave the letter to Colonel North?

A Yes, sir, he was. When the colonel was reading the letter he looked at me and said, "This is a joke." I said, "No, sir. I don't think it is a joke when almost all of those people got killed the day before they wrote that letter."

He showed the letter to Mr. Dutton and asked him if he knew anything about it. Mr. Dutton told him that, yes, he knew but he didn't feel it was important to bring it to his attention.

Colonel North told him that this type of situation if given to the press would create a helluva problem for the program, to which Mr. Dutton answered that [redacted], who was the one who wrote the letter, had been promoted to chief of maintenance for the program and his salary had been increased tremendously starting the next month and he would not pose a problem.

Q Mr. Rodriguez, at some point in August you used a plane to fly from Miami to Central America and as a result of that flight you were accused of air piracy. Can you explain that incident for us?

A I'll try, sir. Just before the last part of July or the very beginning of August I had [redacted] friend of mine who stayed at my house who wanted me to stop by to say hello. So I took the opportunity that a friend of mine was flying on a private aircraft from where I was to Miami. I had the understanding from the pilot that was in this operation that a C-123 was being prepared to return to the area where I was.

Q This was one of the private benefactor 123s?

A Yes, a 123 that was stationed at Southern Air Transport.

So I flew to the Miami area and spent some time with my family and [redacted]. I discussed on that weekend with Mr. Quintero that I was planning to fly this aircraft back to where I was. I believe it was on the 4th of August.

Mr. Quintero explained to me that there were some medicines for mountain leprosy that had to be waited upon to be flown into our area. It was meant for the Nicaraguan freedom fighters.

My understanding from previous conversations was this was just a big box and that it could have been sent locally, and to me it was big waste to hold a C-123 loaded with spare parts that were badly needed down there, and the expenditure of the crews and the hotel just for that box. I explained that to Mr. Quintero. Mr. Quintero told me it was not just a case of a box, but that it was a half plane full of medicines.

At that point I called Mr. Gene Stevenson from Southern Air and explained to him the situation. He told me that they had enough spare parts, or close to enough spare parts, to fill a C-130 to our area. He said he would consult with Mr. Langton from Southern Air. He thought it was more convenient to go ahead and make the flight that we already had programmed with equipment on it, and when this medicine arrived it would be cheaper for the program to lease a C-130 from Southern Air and fly the rest of the maintenance equipment that we had waiting there plus the medicines into our area.

So I asked him to make sure to clear it, and he did.

So we did depart on the 4th of August for my area. When we landed there seven hours later, which it would take that piece of junk to get there, I was told sort of in a joking way that Mr. Quintero had called and said, "Do you know what Max did? That man has stolen a goddam aircraft." We were laughing, because the pilot said, "We didn't steal anything. It was all authorized and everything."

So the instruction that he gave to the people down there was not to unload the aircraft but to refuel it and just take personal things out and fly it right back to Miami the following day.

Since all the equipment that was on board was strictly spare parts for the aircraft that we had in that area, I gave instruction to go ahead and unload the aircraft.

That evening I had dinner with my friend at his home. Mr. Quintero called. He said the airplane was ready to return and he was told that it was unloaded on my instruction, and he asked to talk to me.

When he talked to me he told me in Spanish, "Are you with me or are you against me?" So I explained the best I could. I said, "Look, this is not a situation of being for or against anybody. The spare parts are needed badly here, and we unloaded. Unless you are telling me the whole program is finished."

So he told me that is exactly what happened. "The whole program has been terminated. I will be down there in three days to close all the houses. You tell all the pilots and the personnel there that they don't have the blessing from anybody from up here, that if they do touch or fly any of those aircraft it will be without our authority, that there will be no payment for them, no insurance for them, no gas or any more money at all, and they will be on their own."

Q This is a call from Raphael Quintero, correct?

A Yes, sir.

I felt very strongly in support of these people which are inside Nicaragua. I contacted [redacted] who I trust, one of the kickers in the program. I asked him if he could find me a crew that will fly for free. I explained to him the circumstances. He said he personally would do it; he would check with others and let me know.

He called me later. He said, "I have found Mr. Bob Sawyer" -- who was later killed in the 123 -- "who will do it for free, and also [redacted]."

So I could count on this crew to be able to continue to resupply these people. My purpose was to be able to maintain the supply to them until the agency was in a position to continue the aid to the Nicaragua freedom fighters.

I contacted my local friend who was in charge of the base. I explained to him the circumstances that we were going through and asked him if he would provide the fuel from his end to be able to maintain this operation. This gentleman, who feels very strongly for the Nicaraguan freedom fighters because he sees very clearly it is in the best interest of his country, agreed to continue the supply of fuel on his own.

At that point [redacted] told me that he believed that if I did talk to the people most of them would cooperate and fly on this mission. They were not mercenaries. They needed money, but they respected and supported the program.

So I called a meeting. I don't know whether it was the same night or the following night or later, but I did hold a meeting and expressed what I had been told to them so they were very clear that they no longer had the blessing from their group, from their people, that the operation, as far as I was told, was terminated, the house was going to be closed, and that they would have no salaries or no insurance policy for their families, and it would be their responsibility if they flew any of those planes.

I explained to them as best I could that I had lost my native country to communism, and I knew what it meant for these people to be down there without any supplies for an extensive period of time until the agency could take over the program.

I realized that they needed money for their families to live on, but if any of them could afford a month or two in this program it would be greatly appreciated by a helluva lot of people.

Cooper was present, Hasenfus was present, and a lot of the other pilots, and they all agreed that they would continue to fly the operation for free.

So I asked my friend to contact Mr. Quintero and explain to him that if he wanted to call that was fine, but he would not be closing any base at this point in time, that their group was willing to fly this mission for free and I had been able to find the fuel to continue the operation until the agency could take over.

Q At some point did you receive a telephone call from Don Gregg?

A Yes, sir. I also had the understanding that somebody else received a call down there and was told that I had stolen the aircraft. And there was also a pending suit by the owners of the aircraft. It was not quite clear whether it was against me or the local people there.

So I received a phone call from Mr. Gregg in my room. Mr. Gregg had been away during all of this time with the vice president outside of the United States. I think he was just approached upon his return. He told me on the telephone, he said, "Felix, do you know anything about a stolen aircraft and a suit?" I said, "Don, I have a general idea."

He said, "Ollie has approached me. He said there is a stolen aircraft down there. That could be very embarrassing to the government." He didn't explain any details. He said, "You could be instrumental and help in getting the aircraft released and it would be a great help for the U.S. Government."

My understanding at the time was, and I still believe, he had no idea what he was talking about. He was just being used to use his influence and friendship with me to release this aircraft.

I discussed this with another friend locally that had also been called about getting the aircraft released. My idea at that point in time was that these people probably learned that they were not going to get the contract with the agency and they were just trying to move out everything they had. It infuriated me quite a bit. I explained to my friend, I said, "Look, there is no way I am going to go to my friend here to release his aircraft for these son of a bitches to steal another aircraft that might be worth a half a million dollars.

So I did approach my friend. I said, "Look, we have been doing this without charging anything to these people because we believe in this cause. They might have a legal way to retrieve this aircraft." Because they had it registered, I was told, in Panama. "But if that is the case, you have been providing space and support totally for free because you believe in it, and if they want to take it out legally, and they do have the means to do it, go ahead and charge them for landing fees, guarding the aircraft, painting the aircraft, loading and unloading the aircraft. There's a substantial amount of money that we can use to buy a decent aircraft for the Nicaraguan freedom fighters." To which he agreed, and he gave me permission to go ahead and use his name in this proposal.

Q This is a discussion with your friend in the host government?

A Yes, sir.

Q What did you do after you got the call from Don Gregg?

A I also considered in my mind that the aid to the Nicaraguan freedom fighters was already approved by Congress and it would not be appropriate at this time for me to approach Mr. Gregg and explain to him the situation of these things. I was concerned that part of the program could be taken to this group of people which I didn't consider that well intentioned. So I decided to go to Washington and explain to Don my concern about the

UNCLASSIFIED

possibility of these people getting part of the contract with the agency, and also a situation that could be very embarrassing for everybody, and I was pretty sure that he didn't know anything about it.

So I called him over the telephone.

Q Let me stop you. You were concerned that these people might get the agency contract and you didn't think that they were the right people to have the contract; is that what you just said?

A Yes, sir.

Q You were also concerned that these people might pull the aircraft out before the CIA could get back into funding the operation and therefore the contras would be without a logistics system to resupply them until the CIA got back in; is that right?

A That's absolutely correct.

Q Tell me what you did.

A So I asked Don if I could meet with him at the White House. This was, I believe, a Wednesday, So I could fly on a Thursday all the way to Washington and meet him on Friday. He agreed and said he would clear me into the White House at 9:30. So I flew into Washington.

UNCLASSIFIED

Q What day is this?

A I was to arrive and talk to him August 8, 1986.

Q What happened when you got there?

A I went to his office in the White House. He was there. I don't know if Mr. Watson was there at the very beginning. He later was. I started with telling Don that I wished I never had to come to him under these circumstances to explain this, but that I had learned of this operation down there where Colonel North was involved and he was using people that if known by the press, because of their past background, with Wilson, etc., it could be very embarrassing to the administration and everybody.

I also explained the condition of the aircraft to him and explained my concern about possible corruption in the program since I had been told, even though I didn't have any concrete proof it, that hand grenades were being bought at $3.00 apiece and sold to the contras for $9.00 apiece.

To that he was extremely upset. He picked up the phone, even though I asked him not to, to bear with me and not tell anybody. But he picked up the phone and called upstairs to North's office. He was not there, but I understand that he did talk to Bob Earl. He started telling him, "My friend Felix is here and what he is telling me is outrageous. You should come down here and hear what he has to say. He has mentioned the name of Tom Kline, and goddamit, he's a darn snake. He doesn't have to tell me anything about who he is."

He didn't want to come, but eventually Mr. Earl came down. He tried to appease everybody, that it was best to not really create a problem at this point in time.

Q Did you explain to Mr. Gregg about how you had been brought into this operation?

A No, sir, not at this time. I explained to him the problem that was going on down there and that I had become aware of it.

Q Do you recall telling him about the conversation you had with Raphael Quintero where he said he was working with Mr. Green?

A I don't recall if I did or not. I might have. It was a long conversation and it was a long time ago.

Q Did you tell him that Ollie North was associated with this Wilson group and that that is what concerned you?

A Yes, sir. I am sure that he was also aware of the individuals. Not that they were with him, but he knew the individuals by name and their reputations.

Q Did you mention Secord's name in the meeting?

A Yes, sir.

Q Did Mr. Gregg appear to recognize who Secord was?

A I just went on with all the names. The one that he made the most out of was Kline when he was mentioned.

Q So you mentioned Kline and Secord. Did you mention Quintero also?

A Yes, I did, sir.

Q He at least appeared to recognize Tom Kline immediately as somebody that the government shouldn't be dealing with; is that right?

A Absolutely.

Q Do you remember whether you mentioned Mr. Gadd's name in that meeting?

A Yes, I did. I think I mentioned Mr. Gadd in an incident that I heard from Mr. Quintero, saying that two guys were working, who I never met but only heard by name, on the runway in [redacted]. One was actually making a $100 a day and the other was making $150 a day and Mr. Gadd kepaulus

was charging them $400 a day for one and $450 a day for the other. It was a substantial profit to him or whoever for a considerable period of months.

Q So you told Mr. Gregg that Gadd was overcharging for these employees that were working at the airstrip in [redacted]?

A Yes, sir.

Q Did you mention Mr. Dutton's name in that meeting?

A I probably did, but I really can't be specific. I cannot recall whether I did or not.

Q How long did you meet with Mr. Gregg before Mr. Earl was called on the phone?

A As soon as I started reporting the names to him he almost immediately picked up the phone to call Mr. Earl, but he didn't come down until a considerable time later.

Q Before he called Earl did you tell him what this was with the private benefactor resupply operation?

A I really don't know exactly how I put it. My main concern was that they would not get a contract.

Q You were concerned that they not get the CIA contract to supply the contras; is that right?

A Basically, yes. If the press got a hold of it, with the reputation that these people had, it would be a disaster for the national security adviser to the president to have people who had connection in the past and being publicly exposed in problems with Qaddafi and Wilson, etc.

Q Did you tell Mr. Gregg that in that meeting on August 8?

A I think I mentioned it. Yes, sir.

Q What did Don Gregg say to Earl on the telephone?

A Basically what I told you at the very beginning. He said that he had heard this thing from "my friend Felix, and he mentioned Mr. Kline's name," and he could not figure out how they could use people like that and he wanted him to come down to listen to my story.

Q Did Mr. Earl come down to Mr. Gregg's office?

A He eventually came.

Q What happened then?

A I gave him part of my concern, and he just tried to appease me. He didn't make much recommendation one way or the other. Just to be calm, take it easy. He didn't say much more than that, if I recall. All those things I don't recall at this time.

Q Was the problem resolved at that meeting?

A I later learned that Mr. Gregg called a meeting to pass my concerns to other people. If I recall correctly, after what I read, he called a representative from the State Department, from the agency and the NS~~A~~C to express my concerns about the whole program so that they would take appropriate action. I don't think he believed that the Office of the Vice President would get involved in something like this, but that he should pass it on to people who could do something about it that would be involved in this program. But he was not.

Q After this meeting did you return to Central America?

A Yes, sir, I did.

Q What happened with the private benefactor resupply effort after that meeting?

A After they reconsidered the situation they did send a message down there that the owners of the aircraft, the way they put it, were willing to continue the effort of resupply until the agency would take over the program but to be very clear that the aircraft did not belong to the Nicaraguan freedom fighters, that they belonged to a private company, and as soon as the agency took it over they were going to pull every single aircraft out with them.

Q Did resupply flights continue after that point?

A Yes, sir, but it did continue with a Nicaraguan guard on board to make sure the aircraft were not stolen. That was the young guy that got killed on the October 123 crash.

Q He was on those flights to make sure that the pilots didn't take the aircraft away; is that right?

A Absolutely.

Q Where were you when the H~~o~~asenfus plane went down?

A I was in Miami.

Q How did you learn about the crash?

A My friend, [redacted], from the area where these flights were being staged called me over the telephone and told me that the flight was overdue in returning. We had pretty well timed how much fuel they had and how long they could have stayed in the air. I asked him to make sure. It was a different area and a possibility that they could land on an emergency basis, and if he found out it wasn't that way, try to start a search over the ocean area.

I felt that this was the beginning of a big problem. Since I was not on talking terms anymore with the colonel, I felt that somebody in Washington should know of this incident. So I called Sam Watson. I had not discussed this with him before. I just told him that it was my understanding that a Nicaraguan resupply plane was lost and had either gone down in the ocean or probably shot down in Nicaragua.

I later learned through the press that he did pass this information to the National Security Agency and the White House situation room.

On the following morning we heard over the Havana radio that the plane was shot down inside Nicaragua and there was one prisoner. So I called him again to pass this information to him.

Q When did you return to the Central American country after the Hasenfus incident?

A After that I didn't return until February 11, 1987.

Q The resupply operation completely ceased at that point; is that right?

A Yes, sir. After the Hasenfus crash the operation completely ceased. I don't know what happened to the owners of the aircraft who so badly wanted the aircraft. The aircraft that was in Southern Air was asked to be flown immediately into Central America, and if I understand correctly, it was flown into [redacted] with no authority [redacted]. Apparently the owner wanted to get rid of it as soon as possible, and it was confiscated [redacted].

Q Mr. Rodriguez, the last thing I want to ask you about is payments that you received from this resupply group. Can you tell me what money you received from them?

A I was in [redacted] with no pay from anybody. Soon after the arrival of Mr. Quintero he came to us and said that there was an operational fund for [redacted], myself and himself of $1,000 per month to be used operationally for us, for food and expenses or bringing people to dinner, etc. So we took that during that time as an operational expense.

So after I returned the offer was made to me to be part of the resupply effort. I forgot to mention that during that meeting with Colonel North and Mr. Dutton in the White House after a while Colonel North told me he wanted me to sign a contract with Mr. Dutton to that effect. He asked me why I didn't want to be part of the organization. I told him I had done it so far and I didn't need to be paid for it. He told me that I have to think of my family. Which didn't make me feel any better, because nobody had worried about my family before. He told me to get together with Bob and write my own contract, but please sign a contract with him. Which I did not.

When I went back to Central America my friend [redacted] came to me and said, "Look, Mr. Cooper has received a specific instruction from Mr. Dutton not to pay you anything because you are not part of the organization, but Cooper insists that you were very, very helpful, and he wants to pay you the $3,000 a month."

I told him, "Look, I cannot receive it. I don't want the money. I don't need it here."

[redacted] told me, "Look, if you don't take it, it will be another $3,000 these guys are going to be making."

So at that point he convinced me on that basis.

So instead of getting my friends from Miami to support my trips in here and back and forth to Miami, and my food expenses, which I never received any amount of money or other support from the local [redacted] I did receive the $3,000. I want to state that I did not sign the receipt. [redacted] signed the receipt for me. So legally if I wanted to claim that I did not receive any money they could not prove it, because the receipt is not signed by me. But I did receive the money. I acknowledge it here officially. There is no way I'm going to lie here or any other statement.

Q So you received $1,000 a month from approximately January until June and then in June, July --

A It wasn't effective until the following month, after the meeting in the White House.

Q So it would be in July, August, September that you received $3,000?

A Yes, and probably October.

Q Then after the H~~o~~asenfus plane went down --

A After the H~~o~~asenfus plane, I received, which I did not sign a receipt for, $2,000 from Mr. Quintero for my expenses to leave the house. Since the press was sort of

UNCLASSIFIED

\'kepaulus

hanging around my house all the time, I took the family to the Keys for the weekend and stayed out of my house for over three weeks. He suggested that I leave the country, but I did not. I just stayed in the Florida area.

Q That is all the money that you received from this operation, correct?

A Yes, sir. I handled the money on the fuel account. I felt it was important to keep a record of it, but it was in my hands never more than a few hours. I guess one time 24 hours. When I received it I turned it over to the local friends and received a receipt from them and kept very clear records of dates, aircraft, gallons, price per gallon. You have a copy of all of that.

Q You have given us a copy of all those receipts and your records for the fuel expenditures; correct?

A Yes, sir, I have.

MR. BARBADORO: That's all I have. Thank you very much, Mr. Rodriguez.

THE WITNESS: You're welcome, sir.

(Whereupon at 11:35 a.m. the deposition was concluded.)

UNCLASSIFIED

CERTIFICATE OF NOTARY PUBLIC & REPORTER

I, Michael G. Paulus, the officer before whom the foregoing deposition was taken, do hereby certify that the witness whose testimony appears in the foregoing deposition was duly sworn by me; that the testimony of said witness was taken in shorthand and thereafter reduced to typewriting by me or under my direction; that said deposition is a true record of the testimony given by said witness; that I am neither counsel for, related to, nor employed by any of the parties to the action in which this deposition was taken; and further, that I am not a relative or employee of any attorney or counsel employed by the parties hereto, nor financially or otherwise interested in the outcome of the action.

Michael G Paulus
Notary Public in and for the
District of Columbia

My Commission Expires
February 29, 1992

UNCLASSIFIED

TOP SECRET

HSI TS-78/87

DEPOSITION OF DAVID ROSEMAN

Wednesday, June 10, 1987

U.S. House of Representatives,
Select Committee to Investigate Covert
Arms Transactions with Iran,
Washington, D. C.

The committee met, pursuant to notice, at 1:00 p.m., in Room B-352, Rayburn House Office Building, with Patrick Carome, Staff Counsel, presiding.

On behalf of the House Select Committee: Patrick Carome and Bruce Fein.

On behalf of the Senate Select Committee: Timothy Woodcock.

On behalf of the Witness: Kathleen A. McGinn, Assistant General Counsel, Office of General Counsel, Central Intelligence Agency.

Partially Declassified/Released on 21 DEC 87
under provisions of E.O. 12356
by [redacted] National Security Council
K. Johnson

4054
3a of 3

UNCLASSIFIED

MR. CAROME: If we could have the Notary please swear in the witness, and if you could state your name for the record on the record.

MR. MALLON: I am a Notary for the District of Columbia. My name is Charles Mallon.

Whereupon,

DAVID ROSEMAN,

having been duly sworn, was examined and testified as follows:

EXAMINATION ON BEHALF OF THE HOUSE SELECT COMMITTEE

BY MR. CAROME:

Q Would you please state your name for the record?

A Yes. My name is David Roseman.

Q And what is your current occupation?

A I am an attorney with the Central Intelligence Agency and I serve as Chief of the Intelligence Law Division at the Agency

Q And how long have you been Chief of the Intelligence Law Division?

A For a little more than one year.

Q You started in that position when?

A Approximately April of '86.

Q Why don't you just briefly tell me your educational background, starting with college, and the positions which you've held since graduating?

A Certainly. I graduated from George Washington University in 1970, and graduated from Georgetown University Law School in 1973. I took the bar in 1973 in the State of Maine and became a member of the bar, in Maine, in 1973, and I began my legal career as an Assistant Attorney General for the State of Maine.

I was in that position until 1980 when I got my position with the Office of General Counsel at CIA. I started at CIA as a position as a generalist, meaning that I received assignments from a number of different divisions, and within a year I was assigned to the Intelligence Law Division and was subsequently named Deputy Chief of the Intelligence Law Division.

Q And what time did you first become a lawyer in the Intelligence Law Division?

A That would probably have been in 19 -- well, it was within a year of my entering on duty with the Agency, which was, I entered on duty in July of 1980, so it would have been some time I think in 1981 that I began to work with the Intelligence Law Division.

Q And your first position in that division was what?

A I, at that time there was a Chief of the division and I was -- I simply served as his assistant, and to the extent that there was additional work, which there always was, above and beyond what we could handle, it was assigned out to other attorneys who were considered to be generalists.

Q Okay. And in or around the time of November 1985 what position were you holding?

A November 1985, I would have been the Deputy Chief for the Law Division.

Q And is that the same for the period in or around January 1986?

A Yes, that's correct.

Q And what were your general duties in that position?

A My duties as Deputy Chief -- well, let me describe first what the -- the overall responsibilities of the division.

The division has primary responsibility for handling questions relating to Executive Order 12333, which deals in large part with collection ~~of informat~~ion and retention and dissemination of information on U.S. persons, and it also contains guidelines on the limited Agency activities within the United States. These are guidelines under Attorney General approved procedures. That's the primary role of the division.

The division also handles questions involving the Intelligence Oversight Board.

As Deputy Chief of the division, of course, I received my assignments principally from the Division Chief, whose name is Bernie Makowka; and in Bernie's absence, I would serve as Acting Chief.

Q Okay.

MR. CAROME: It occurs to me that there is a brief introduction I should have probably given at the start of the deposition which I might as well do now.

Just for the record, my name is Patrick Carome. I'm Staff Counsel for the House Select Committee to Investigate Covert Arms Transactions with Iran. It is possible that a staff counsel to the parallel Senate committee is going to be joining us in this deposition midway through.

Both of the committees were established pursuant to resolutions and have various enacting roles. The Central Intelligence Agency has previously been provided with copies of our resolution and rules; and, just for the record, I have earlier, before we started today, have provided you with copies of both of those things.

The mandate of the House committee is to investigate the circumstances surrounding the Iran affair and also the U.S. involvement with the contras, and this deposition is being conducted pursuant to those rules.

BY MR. CAROME:

Q Turning now more to the substantive matters that

I want to cover, when was the first time -- strike that.

The Intelligence Law Division is not normally involved in the preparation of covert action findings; is that right?

A That's correct.

MR. CAROME: The record should reflect that we have just been joined by Bruce Fein, who is an attorney with the House Select Committee.

BY MR. CAROME:

Q Is it correct, Mr. Roseman, that the Intelligence Law Division is not normally involved in the preparation of covert action findings?

A That is correct.

Q In 1985, did there come a time where you working on a covert action finding?

A Personally I was not involved in 1985 in working on -- let me step back, because the times -- we got involved on the Iran finding on 2 and 3 January 1986 and were involved with another, [redacted] finding, which may have been in late 1985, so let me correct that.

Q You were involved in preparation of a covert action finding in 1985; is that right?

A It probably would have begun in late 1985, in late December of 1985.

When you say you, you mean my role personally?

Q That's right. I'm speaking of your role personally.

A Yes.

Q And what did that finding that you were involved in, in 1985, deal with?

A To the best of my recollection, we were involved in a finding dealing with [redacted] And I have not reviewed that finding, so that's the best recollection I have at this time.

Q Did that finding deal with any particular countries?

A I do not believe so.

Q And when you say "we were involved," who besides yourself was involved in that [redacted] finding?

A It would have been, I am certain, Bernie Makowka, the Chief of the division. It was myself and Gary Cole, who was one of the attorneys working for us, assigned -- one of the attorneys assigned to Intelligence Law Division.

Q Is Mr. Cole an attorney who reported directly to you at that time?

A Yes, that's correct. To me and, or actually directly to Bernie as Division Chief, but to me if you want to say through the chain of command.

Q And is it correct that this [redacted] finding was the first finding that you were ever involved in?

A Well, to say the first finding that I was ever involved in, I have been involved over the years in questions related to findings, covert --

Q Let me see if I can be more specific with the question.

Was that the first instance in which you were ever involved in the drafting of the actual finding itself?

A I believe so; yes.

Q Was that also the first instance that you're aware of in which the Intelligence Law Division was involved in the actual drafting of a covert action finding?

A Well based on my knowledge, what I know at this point in time, the answer is no. Because I understand that Mr. Makowka was involved in drafting what has been referred to as the mini-finding of, I believe, November 1985. As to whether or not Mr. Makowka has been involved in other findings prior to that time, I do not know.

When I say involved in, I should say the same thing, actually drafting. Because he, as well as I, have been involved over the years in a number of questions related to covert action programs or special activities.

Q Other than this one [redacted] finding and findings that did pertain to Iran that are really the subject of our investigation --

A Um hum.

Q -- are you aware of any other covert action findings prepared by the Intelligence Law Division?

A No, I am not.

Q I take it that there did come a time where you became involved in the preparation of a covert action finding relating to Iran?

A That is correct.

Q And when did your involvement begin on that?

A My involvement began on that I would say on 2 January 1986.

Q And how did it begin?

A Well, I recall that our Division Chief was on leave, or going on leave in the end of 1985 and --

Q Who was the Division Chief?

A Mr. Makowka.

Q And he asked Gary Cole and myself to finish the drafting and the work on the [redacted] finding by, I believe he probably said by the end of -- by 31 December or 30 December, whatever the last working day of the year was; and he indicated that that was something that needed to or should be sent up to the General Counsel as quickly as possible.

Mr. Cole and I did the work on that finding, and in preparing the finding itself, in part because we had not previously drafted findings ourselves and in part because our practice is to do the most thorough legal job we can, we contacted -- I believe we would have contacted George Jameson or -- it was either George Jameson or Ernie Mayerfeld, who may have been counsel -- whoever was counsel for the DO at that time who ordinarily dealt with these kinds of matters, or it might have been George Clarke, who George Jameson or Ernie Mayerfeld, I believe, reported to.

We contacted them to get background paperwork on preparation of findings and the proper format and who it goes through within the Agency and who it goes through outside of the Agency, so that we could do the best possible job on that.

Q Is your work on this matter all happening toward the end of December? Is that correct?

A Yes. I'm referring now to the [redacted] finding, which is a lead-in to your question as to how we got involved or how I got involved in the Iran finding.

Q And the activity you've just described took place the last 10 days or so of December?

A I will say within the last 5 or 10 days in December.

Q Do you know whether or not the activities you were just describing on the [redacted] finding were related to a meeting that Mr. Makowka attended at Colonel North's office on Christmas Eve, 1985?

A I'm sorry. Could you repeat that?

Q Are the activities on the counterterrorism finding that you have just described related to a meeting of Mr. Makowka and Mr. North on December 24, 1985?

A To my knowledge, they were not related.

Q Were you aware of that meeting?

A I might have been aware generally of the meeting, but not of the substance or the specifics of tne meeting. In other words, Mr. Makowka may have come back from that meeting and said to me, I just met with Ollie North, or, I just had a meeting at the White House; or he may have said, Dave, I'm going down this afternoon to the White House to a meeting with Lieutenant Colonel North, something of that nature.

However, on certain matters as the then Division Chief, the General Counsel would deal with Bernie Makowka directly and not with me. Because we operated on a need-to-know principle in certain sensitive matters, the General Counsel would deal with the then Division Chief and it would be -- that information wouldn't be shared with me.

Getting back to our preparation on the [redacted] finding leading into our involvement in the Iran finding, we finished that work, the work on the [redacted] finding, on a timely basis. We presented that finding to the General Counsel, and I recall that the

General Counsel was very, very pleased with the work we had done, both substantively and the timeliness of our response. And that probably would have been, we turned that in I will say either the last day in December or the first working day in January of 1986.

Q That would have been January 2nd, I believe.

A Probably January 2nd. But I recall that we would have -- I will -- my best recollection would be that we turned that in the last part of December 1985.

Q Could I just ask, did the [redacted] finding bear any relationship to discussions that were going on in the Office of General Counsel about an enterprise theory for prosecution of terrorists?

A I am aware of the enterprise theory that was discussed at that time in the office. I can't recall that specifically but I don't believe so. I don't believe it dealt with that. But I really cannot recall, though, with any specificity.

Q We have just now gotten up to the January 2nd time frame --

A That's correct.

Q -- and I think you're going to --

A That's right.

Q -- begin to tell us what it was that brought you into the drafting of the Iran finding.

A That's correct.

On the 2nd of January, and this would have been after we completed our work, at least our draft work on the [redacted] finding, the General Counsel called me into this office and said, in effect, that he was very pleased with the work that we had done and that he had another matter that was of extreme sensitivity and that he wanted me to work on it.

And he then described this next matter and it was this, it was the finding related to -- it was the so-called Iran finding.

Q So this was described to you in a meeting in Mr. Sporkin's office; is that right?

A That's correct.

Q And you are fairly certain this was on January 2nd; is that right?

A I'm fairly certain only because I have reviewed the two Iran findings, and one is dated 2 January and one is dated 3 January. And my recollection is that Mr. Sporkin said that this was another finding that needed to be prepared, and needed to be prepared expeditiously.

And I recall that we, Mr. Cole and I, prepared that finding by close of business that day.

Q All right. If we could turn to what it was that Mr. Sporkin said to you in this first meeting on the subject

TOP SECRET

UNCLASSIFIED

of the Iran finding.

A Yes.

Q What did he tell you needed to be done?

A The best that I can recall on that is that, as I said, he called me into his office and said that there was a matter of extreme sensitivity and he wanted me to work on that. And he described the matter as --

MR. CAROME: Could we go off the record for just a second?

(Discussion off the record.)

MR. CAROME: Back on the record.

The record should probably reflect that Tim Woodcock, from the Senate staff, has just joined us.

MR. WOODCOCK: 25 minutes late.

BY MR. CAROME:

Q Mr. Roseman, you were just describing what it was that Mr. Sporkin said needed to be done, and I believe you were just about at the point to describe what type of project the finding was to relate to.

A Yes. My recollection on this, I should add, is in large part based on my reviewing the finding itself because, obviously, whatever was contained in there or most of what was contained in there was based on what Mr. Sporkin had told me.

MR. CAROME: Why don't I have a copy of the

UNCLASSIFIED

finding, the draft finding, marked as an exhibit, and I will put it in front of you so you can look at it.

THE WITNESS: Thank you.

(A document was marked Deposition Exhibit DR No. 1 for identification.)

BY MR. CAROME:

Q Mr. Roseman, I show you what has been marked as Exhibit 1. It has a CIIN number 1119, and it's a document dated January 2, 1986, and it appears to be a draft finding on Iran.

A Mr. Sporkin basically said that we were, or words to the effect that we were, the U.S. Government was trying to establish an initiative or open a line of communication with the moderate elements in Iran and that we, in order to, you know, in furtherance of that -- in furtherance of that goal a finding needed to be prepared to support the sensitive special activity or covert action.

Q What was said about the types of activities that would be taken? What did Mr. Sporkin say at that meeting on those subjects?

A Other than to tell you generally what I've just described, I really can't -- I can't recall specifically any specifics of what he said at that point in time.

Q Let me see if I can ask you a few specific questions on things that might have come up to find out if you have a recollection whether they came up.

A Yes. There is one thing that I did just remember, but why don't you go ahead.

Q What is the one thing that you remember?

A I remembered in part because -- it's Mr. Woodcock.

Q That's Mr. Woodcock.

A Yes. I have previously been interviewed by Mr. Woodcock and at the close of -- towards the close of that interview, Mr. Woodcock asked me whether there was any discussion during my meeting with Mr. Sporkin about the Israelis being involved in this, whether Mr. Sporkin mentioned that to me. And I had not previously mentioned that in my interview with Mr. Woodcock, and I said at the time that that sort of jogged my memory a bit and that I recall that that was mentioned. I am not certain about that, but I recall that that -- that Mr. Sporkin may have said something along the lines of, you know, this is -- in part, the sensitivity of this is due to our working with our allies on this including, or our ally Israel or our allies including Israel.

Q Do you recall what he said on what specifically Israel had to do with the activity?

A No, I do not. And it may have just been in terms of sensitive project. That may have just been the nature of it.

Q Did Mr. Sporkin say that arms or any other types of material would be delivered to Iran?

A I presumed that he did because that is all contained -- the finding states that -- the finding, or part two of the finding, if you will, the second paragraph of the finding, states that we would, the U.S. Government would provide arms, equipment and related materiel to the Government of Iran. And I recall that when we, that when Mr. Cole and I submitted this draft finding to Mr. Sporkin, which I believe would have been on 2 January, that Mr. Sporkin made, at least initially there were only minor changes made.

So I would -- I could only assume that in our initial discussion he mentioned that this finding included arms and equipment and related equipment.

Q Did Mr. Sporkin say anything in this initial discussion about hostages and that one objective of the activity contemplated was release of hostages?

A I really do not recall that.

Q You have no recollection of the subject of hostages being mentioned?

A No, I do not. But we, you know, again the finding talks in terms of our activities done in part to help protect against terrorist activities directed against U.S.

persons. It's possible that he may have mentioned that. I do not recall it.

But clearly, one of the purposes of the finding was to help protect against terrorist acts directed against U.S. persons, U.S. property, U.S. interests.

Q Did Mr. Sporkin say anything about an earlier finding relating to Iran?

A I don't believe that he did. If you're referring to the finding that Mr. Makowka -- I later learned that Mr. Makowka worked on in, I believe, November of '85, I do not believe that Mr. Sporkin mentioned that earlier finding to me at that time or any previous time or subsequent time.

Q When did you first hear anything about the November 1985 finding?

A I can't give you a specific date but I assume it probably would have been in November or December of 1986 when the news became public about the whole Iran initiative. But I do not believe that Mr. Makowka ever discussed that finding with me.

And again, let me clarify. Mr. Makowka may have said to me something along the lines of I'm working on a very sensitive project for Stan or I had to stay late last night working with the General Counsel, but that would have been it.

If he had been instructed by Mr. Sporkin not to discuss the specifics with me, he would not have, nor would I have asked. And that is our practice, certainly in our division.

Q And I take it that in late 1985 and early '86 you heard nothing about a 1985 finding being signed relating to Iran; is that right?

A I believe that's correct.

Q Did Mr. Sporkin mention Oliver North's name in the initial discussion with you?

A He might have mentioned it to me. I will say that Mr. Cole and our secretary and myself certainly knew that he was bringing the 2 January or the 3 January finding, the 3 January redraft of the White House, and certainly my understanding was, my belief was that that was going to Oliver North.

Q Did you know who North was at that time?

A Generally I knew who he was. I never had any dealings with him myself. I knew that he was a senior official in the National Security Council and seemed to be a person who wielded a fair amount of power in the National Security Council, but that was the extent of my knowledge of Mr. North.

Q In what sense was it evident to you that Mr. North wielded a fair amount of power?

A In the sense that his name had been mentioned on a number of occasions at office, division chief meetings.

Q Who would mention his name?

A Oh, possibly George Clarke, who, as I said earlier, had responsibility in covert action areas. Possibly the General Counsel.

Q What do you know about the relationship between Mr. North and Mr. Sporkin at or around that time?

A I know nothing of the relationship between those two gentlemen.

Q You knew that they would have meetings and phone calls, didn't you?

A Well, certainly I knew that they had -- again, as I said -- as I said earlier, not to repeat all of that, my understanding was that Mr. Sporkin was going down to see Mr. North to bring this finding. Either Mr. Sporkin had said that to me directly, that he had to get down to the National Security Council or to the White House, or I surmised that.

Q Were you aware of any interaction between North and Sporkin prior to January 2nd?

A Nothing specific, other than what I just said to you. His, Mr. North's name I recall had been mentioned at division chief meetings.

Q Did you ever see North at the CIA?

A No, I did not.

Q Have you ever met North?

A No, I have not.

Q Have you ever spoken to him on the phone?

A No, I have not.

Q Did Richard Secord's name come up in this initial conversation with Mr. Sporkin?

A No, it did not.

Q Did Secord's name come up in any discussions you had on this subject in January of '86?

A No, it did not.

Q Have you ever met Secord?

A No.

Q Have you ever spoken to him on the phone?

A No.

Q Was anyone else present during this initial meeting with Mr. Sporkin and yourself?

A I'm not certain about that. The Deputy General Counsel may have been present at that meeting.

Q And who would that have been? Who was that?

A That would have been Mr. Dietel.

Q What is your best recollection on whether or not Mr. Dietel was present?

A As I said, I'm not certain. If he were present, he was almost entirely or entirely in just a -- just present.

The instructions I was receiving and the discussion was really with Mr. Sporkin.

Q Anyone else present for this meeting?

A No. Mr. Cole was not present at that meeting, and Mr. Cole assisted me in drafting this finding, the 3 January finding.

Q I want to get to that, but I want to see if there is anything else we can learn about the first, January 2nd meeting.

About what time of day was that meeting held, do you recall?

A I think it was held either late in the morning or around the lunch hour, or perhaps early afternoon, in that time frame. I knew -- I think we had several hours, you know. Mr. Sporkin, again, told us that he needed something back expeditiously, and he either said this or the implication was he needed it by close of business that day. And I know we had several hours to do it.

Q Did the subject of whether or not there would be advance congressional notification of the finding come up during this initial discussion with Mr. Sporkin?

A In reviewing the 2 January and the 3 January finding, I see the 2 January finding talks about notification to the committees. The 3 January finding has alternative language. That subject came up. Whether it came up

UNCLASSIFIED SECRET

on the first, or in my initial meeting with Mr. Sporkin or the meeting the next day, I don't remember.

I think it might have, it might have come up in the initial meeting and it might have come up along the lines of this is just a sensitive matter, but I'm not certain on that point.

Q I take it that it was clear during this discussion, this initial discussion that the objective of what Mr. Sporkin was asking you to do was to get a finding prepared; is that right?

A That's correct.

Q Did you discuss whether or not there should be a finding or was it clear right from the start that there needed to be a finding?

A No, we did not discuss whether from -- we did not discuss whether there should be a finding. We did not discuss any policy implications on the finding. It was a matter of the General Counsel saying to -- it was a matter of the General Counsel giving me instructions to prepare this, and then my reviewing section 501 of the National Security Act and preparing the finding in accordance with the statute and in accordance with the previous documents that I have mentioned to you that we had located.

Q Did Mr. Sporkin in the initial discussion say anything about the National Security Council and its role in

UNCLASSIFIED SECRET

its role in the contemplated activities?

A I do not believe so. I'm fairly confident he did not.

Q Did you understand that the activities under consideration were to be carried out by Central Intelligence Agency people?

A That wasn't discussed but that would have been my understanding. The executive order, Executive Order 12333 states that the agency within the United States that will ordinary carry out what Executive Order 12333 defines as special activities, or what's more commonly known as covert action, is to be carried out by the Central Intelligence Agency unless the President specifically finds that another agency is more fully -- is better suited to conduct that kind of an activity.

So my understanding would have been that this would have been Ce[redacted]nce Agency carrying this out.

Q Did Mr. Sporkin give any indication to you at that first meeting or any other time --

A Um hum.

Q -- that there had been an earlier shipments of arms to Iran that the CIA had been involved with?

A No, he did not.

MR. FEIN: Did he indicate whether private

UNCLASSIFIED

BEST AVAILABLE COPY

parties would be involved in the covert action contemplated? Since that was a part of the drafting evolution --

THE WITNESS: When you say private parties involved in -- did you say private parties --

MR. FEIN: Yes, I did.

THE WITNESS: -- involved in providing arms?

MR. FEIN: Well, in the overall covert action that was the subject of the finding.

THE WITNESS: Well, with regard to providing arms, I don't recall that there was any discussion of that. There presumably was discussion of private parties in the sense that the 2 and 3 January findings refer to working with individuals; for example, working with individuals and organizations both within and outside of Iran and liaison services and other foreign government entities. So in that general sense, that was probably mentioned that there would be, you know, the finding should be written to include not only working with another government but with a liaison service or individuals or organizations.

But, as I said, there was no discussion on using private persons, to the best of my recollection, to provide arms to the Iranians.

BY MR. CAROME:

Q Did Sporkin, in this initial discussion, say anything about who within Iran was to be the recipient of

TOP SECRET
UNCLASSIFIED

arms?

A I don't recall. I can only say that in reviewing the 2 January finding and comparing it with the 3 January finding, the 2 January finding refers to providing arms to the government of Iran, whereas the 3 January finding refers to providing arms to moderate elements within the government of Iran, or moderate elements within Iran. I don't have the 3 January finding in front of me.

Could you repeat that one, please? Repeat the question?

Q The question was, was there any discussion at this initial meeting with Sporkin on the subject of who within Iran was to be the recipient of arms?

A Okay. I can't recall whether at the initial meeting that discussion came up, but certainly during one of the meetings that subject was discussed, or that subject was, Mr. Sporkin said you -- yes, that subject was discussed.

Q And what did he say on that subject?

A He -- I can't remember specifically, but it was along the lines of the finding should be drafted or needs to be drafted so that we, so that we provide arms to the moderate elements in Iran, or in the Iranian government. And I do not recall that there was much discussion on that. It was a ~~metter~~ matter of Mr. Sporkin as the General Counsel giving me instructions as to how to draft, how to prepare this

UNCLASSIFIED

finding.

Q Mr. Sporkin said that this was a highly sensitive matter, is that right?

A That's correct.

Q Did he explain to you why it was sensitive?

A I don't recall. But I do recall at the time that he, the whole subject was -- I do recall that at the time that I was called in by Mr. Sporkin and he mentioned the subject matter it seemed to me to be a very, an extremely sensitive kind of subject in the sense that we were establishing an initiative with the Iranian government.

Q And why would that be sensitive?

A Because at the time we did not have relations with Iran. That was my perspective.

Q Was one of the factors that made it sensitive at that time the fact that any public disclosure that the United States was initiating relations with Iran would be a political fire storm if disclosed to the public?

A Could you repeat that again, please?

Q Was one factor contributing to the sense of sensitivity of this matter the fact that public disclosure of the subject would cause a political fire storm?

A I do not know what Mr. Sporkin was thinking but that was not a consideration of mine. It just seemed to be to me that this was a -- that, you know, Iran was a terrorist or is a terrorist -- was and is a terrorist nation or nation that supports international terrorism, and that we did not have relations with Iran, and that this was an initiative to establish relations, and in that sense, in a foreign policy sense, if you will, it seemed to me to be very significant and something that was very sensitive.

MR. FEIN: Well, isn't it true that those who are related to the Shah in the United States in the aftermath of the Khomeini takeover were summarily executed in that, if they were moderates who it was publicized, in Iran, were making contacts with the United States and that fact was leaked, they could be summarily executed? So the whole effort to establish a link with the moderates would collapse because any publicity would be the demise of the moderates in Iran, since there is no indication that the Ayatollah himself has changed colors like a chameleon.

THE WITNESS: I don't know the answer to that question.

BY MR. CAROME:

Q Did Mr. Sporkin say anything about the fact that the weapons to be provided to Iran were to be used in the Iran-Iraq conflict?

A Again my recollection is based on what's contained in the finding, and I would presume that he did state that.

Q You have no independent recollection of the discussion of use of the weapons in the Iran-Iraq war?

A Well, I do -- I have, I have a, some recollection that in these, that in this discussion or in these discussions with Mr. Sporkin that we -- there was concern that the weapons not be used against U.S. interests, and that's reflected in the finding.

Q Was it also evident that the weapons would be used against Iraq?

A As I said, from reading the finding, I would have to assume that that was something that was discussed.

Q How long did the first meeting with Mr. Sporkin last?

A It may have lasted, more or less, 10 to 15 minutes.

Q And what happened after the meeting?

A Well, before the meeting closed, having worked on a previous [redacted] finding with Mr. Cole, I may have initiated this or Mr. Sporkin may have initiated this, but I certainly didn't, I certainly on something like this would not have had Mr. Cole assist me on this without getting specific authorization from the General Counsel.

So I may have said Mr. -- I may have said, Stan, do you want me to work on this alone or do you have any objection if Gary Cole works on this with me; or Stan may have said, you can do this alone or with Gary Cole. It's not to be discussed with anyone. It's not to be discussed with anyone else.

But it was clear, my orders were clear that I could work with Gary Cole but that this was not to be discussed with anyone else within or outside of the office.

And your question was, what was the process after that? I immediately called Gary Cole and described this, described as Mr. Sporkin had described it to me, and the two of us sat down and drafted this. We may have actually sat down together and drafted it or we may have worked independently or divided it up, you know, one person working on one paragraph, one person working on the other.

Q Did Mr. Sporkin indicate to you that you should complete a draft of the finding before the end of the day?

A I think that he did. That certainly was my understanding, and I recall that this finding was submitted to Mr. Sporkin by the close of business. If it were not by close of business, it would have been -- well, it's dated 2 January. I'm assuming that it was done by the end of that day.

Q Did Mr. Sporkin say anything in the first meeting about how soon the contemplated activity was to occur?

A No, he did not.

Q So that afternoon, I take it you and Mr. Cole sat down and began working on the drafting of what became

Exhibit No. 1; is that right?

A That's correct.

Q And what sources did you draw on to prepare this first draft finding?

A I would say we drew on three sources. We drew on the information, the directions that Mr. Sporkin had given to me, number one. Number two, we drew on the previous materials I mentioned at the outset of this deposition -- other findings and related papers, and the proper formatting of those types of findings. And, number three, we drew on the language of section 501 of the National Security Act of 1947 to ensure that the finding was consistent with that -- consistent with that language and fell within the parameters of that statute.

Q And by the end of the you --

A And I should add we also certainly referred to the Hughes-Ryan amendment, the so-called Hughes-Ryan amendment.

Q And you completed the draft by the end of the day, is that right?

A I believe that we did.

Q In looking at the draft I see that there is a sentence at about the middle of the page that refers to provide intelligence, counterintelligence, et cetera, to the identified potential alternative leaders.

TOP SECRET

UNCLASSIFIED

A Um hum.

Q What do you recall Mr. Sporkin saying on the question of providing intelligence to alternative leaders?

A Well, he might have said, and he probably would have if there is that language in this first draft -- he probably said that the U.S. Government was attempting to establish relations with more moderate elements within Iran or within the Iranian government. But I don't believe that he said anything substantially beyond that.

Q He must have said something along the lines of we're going to provide these elements with intelligence, is that right?

A He might have or this -- no, this draft is dated 2 January 86. It's possible that Mr. Cole and I presented him with the draft and Mr. Sporkin revised it, and then this was printed out on our typewriters as the 2 January 86 finding at the end of the day.

So it's possible that the language that Mr. Cole and I gave to Mr. Sporkin is not exactly what you see here.

Q I see.

A In other words, we may have gone back towards the end of the afternoon and said, Stan, here is a draft, and he looked at it and made some changes in it and then gave it back to us for retyping.

Q Do you recall that's the way it happened? That

UNCLASSIFIED

you presented Mr. Sporkin with a draft on the 2nd?

A You've asked me that before and I -- to the best of my recollection, I think we did.

Q So you recall having taken a draft back to Mr. Sporkin later that day, is that right?

A Yes, I do.

Q Do you recall doing that personally, actually walking it up to his office?

A Yes, I would have done that.

Q And did you have any conversation with Mr. Sporkin at that time?

A I, I'm not certain but I don't believe so. I believe that I probably showed him the draft and waited in the office, either in his office and/or in my office, waiting for him to give me any further instructions and I would not have left that evening I'm certain until the General Counsel said that's fine for tonight.

But I don't recall whether we had any further discussion at that period of time or whether it was a matter of handing the General Counsel the draft and having him review it and make whatever changes he might want to make in that.

Q This draft that's marked Exhibit 1, do you recall or can you tell whether that is what you and Mr. Cole originally drafted?

A It certainly is -- I can't, as I said before, I can't say with certainty that this is exactly the draft that we gave to Mr. Sporkin and that there are no changes. But this certainly had most of the elements of what we did; in other words, we didn't give him a piece of paper and Mr. Sporkin totally revised it -- Mr. Sporkin totally rejected our work and revised it and came up with this.

Q And you can't recall anything that Mr. Sporkin would have told you at the time you presented him with this first draft on the 2nd; is that right?

A No, I really can't. I would be speculating if I tried to do that.

Q You don't recall him saying, you need to make these changes in it, at that time, do you?

A Well, I'm not sure. You know, there are obvious changes between the 2 January and the 3 January draft and I am not certain whether he said that evening on 2 January, I want some additional changes, or whether he called me back into his office again on 3 January and asked us to work on that again.

In fact, my best recollection of this was that I provided the draft to Mr. Sporkin and that he made some changes and -- when I say my best recollection, my initial recollection of the scenario was that I provided this to Mr. Sporkin and he made some changes, and then he went down

UNCLASSIFIED TOP SECRET

to the National Security Council that first evening; however, the records don't reflect that, so I assume that I'm incorrect on that.

Q What you assume is incorrect is that Sporkin didn't go down to the White House until January 3rd; is that right?

A That's right. The records reflect that he did not go down on the 2nd and that he brought the 3 January finding down on the 3rd, and I have no reason to doubt the record on that.

Q Is it possible that you didn't present the first draft to Mr. Sporkin until the following morning; namely, January 3rd?

A That's possible but I believe it's highly unlikely. When the General Counsel indicated that he wanted something of this nature done, done quickly, I can't imagine that Mr. Cole and I would have left the office until that would have been done. And I'm sure our secretary -- I know our secretary would have stayed regardless of how late that was.

Q And Mr. Sporkin would have stayed that late, too?

A Well, that would depend. If we finished at nine o'clock at night, he might not have stayed. But again, I don't -- I believe that we, as I said before, I believe we provided this to him the first evening.

(A document was marked Deposition Exhibit DR No. 2 for identification.)

MS. McGINN: Can we go off the record for a minute?

MR. CAROME: Sure.

(Recess.)

BY MR. CAROME:

Q What happened, Mr. Roseman, with respect to the drafting of this finding on January 3rd?

A As I just said -- (pause) -- it was, we either completed the drafting on the 2nd or on the 3rd of January Mr. Sporkin called me in and asked me to redraft the finding, in part.

Q I show you what has been marked as Exhibit 2.

A Yes.

Q Did you play a role in the drafting of this Exhibit 2? Do you recognize this document?

A I -- yes, I do recognize the document.

Q What is it?

A What is this document?

Q Yes.

A It's a finding, dated 3 January 86, dealing with Iran.

Q And you played a role in the drafting of this, is that right?

A Well, what I recognize, really -- specifically what I recognize is the alternative language at the outset in terms of "essential to limit prior notice" to the committees or directing the DCI to provide notice to the committees. That language I specifically recall.

The other language, I have no recollection between the -- let me rephrase that. With regard to the body of the finding, I don't recall specifically what was done in the first draft versus the second draft.

MR. CAROME: Could we go off the record for just a second.

(Discussion off the record.)

BY MR. CAROME:

Q Just so it is clear, you do recall being asked by Mr. Sporkin to include something on alternative language?

A Yes, I definitely recall that.

Q And when did Mr. Sporkin speak to you about that subject?

A I am not, I am not certain on that, but I do know that -- I am not certain when he asked me to draft alternative language in the finding. The alternative language dealing with notification to the Congress. However, I am certain that that subject was discussed.

Q And what did he say on that subject?

A Well, he asked me to draft alternative language.

Q Did he say why that was to be done?

A Well, I don't recall specifically but I presume that the discussion was along the lines of this matter is extremely sensitive and under section 501 of the National Security Act under certain limited circumstances prior notice to the committees is not -- may not be required and so we should draft alternative language.

Q You recognize that that was at least highly unusual that not notifying Congress would be contemplated; is that right?

A Well I am not the expert on that subject because, as you said at the outset, we, the Intelligence Law Division, doesn't ordinarily get involved in drafting findings. But my sense was certainly that that was the exception rather than the rule.

Q Did Mr. Sporkin indicate who would be the person to choose between the alternatives on the question of notification?

A No, he did not.

Q And with respect to the body of the January 3rd draft --

A Um hum.

Q -- am I correct that what you say is that you don't have a recollection of what caused these changes to be made?

A No, I do not.

Q You have no such recollection?

A That's correct.

Q I see that one change is the addition of a paragraph number 2 referring to obtaining from them intelligence.

Do you recall where that idea came from?

A No, I do not. In fact, as I said, I don't recall whether, specifically in the body of this, how the final drafting came about.

Q You are not sure whether or not you even played a role in the changes between the -- to the body of the finding between the January 2nd and January 3rd draft; is that what you're saying?

A I'm not certain. I would assume that I played some role in that.

Q And any changes that are made here are either the result of suggestions or directions from Mr. Sporkin or his own direct edits; is that right?

A That would be correct, yes. I think the way you have just phrased it is the most accurate way of characterizing this.

Q The second line of this, of the descriptive portion of the January 3rd finding, refers to selected foreign liaison services. Do you know what that is a reference to?

A No, I do not, except to reference my earlier statement that I recall that there was a reference made to Israel.

Q Do you recall any reference to any other countries besides Israel?

A No, I do not.

Q That same second line of this description of the January 3rd finding refers to third countries, in the plural.

Do you know whether additional countries besides Israel were contemplated, even if you don't know the identity of those countries?

A No, I do not. And with regard to the answer I just gave to you, when you said "selected foreign liaison services," I'm not certain whether the reference to Israel was with regard to foreign liaison services or third countries. It was just possibly a reference to Israel.

Q Other than Israel, you don't know what either the phrase "liaison services" or "third countries" could refer to, is that right?

A That's correct.

Q What else happened on January 3rd relating to this finding that you know of?

A Again, as I've stated before the best of my recollection, if I worked on the finding on the 3rd, then I continued drafting or redrafting, making suggested -- making changes that the General Counsel had suggested; and the only other thing that I know that went on, based on my review of the record, is that the record indicates Mr. Sporkin on 3 January brought the finding down to the National Security Council.

And when I say the record indicates that, that's a cover sheet that I believe our secretary would have prepared to deal with handling of a Top Secret document.

(A document was marked Deposition Exhibit DR No. 3 for identification.)

BY MR. CAROME:

Q Mr. Roseman, I show you what's been marked as Exhibit 3 and ask you is the front page of Exhibit 3 the cover sheet that you just described?

A Yes, it is.

Q And that is the source of your understanding that Mr. Sporkin took this to Mr. North on January 3rd; is that right?

A Yes, that's correct.

Q Do you have any information independent of this cover sheet that that's what took place? Did Mr. Sporkin tell you that that was going to happen on January 3rd?

A I presume that he -- he may not have mentioned Mr. North, but I presume that he told me, or me and Mr. Cole, that he was going down to the White House. I'm fairly certain of that.

This reference here in Exhibit No. 3 really confirms what my understanding was, at least insofar as Mr. Sporkin's going to the National Security Council.

Q What was Mr. Cole's role in the preparation of the January 2nd and January 3rd drafts?

A Well, as I think I've explained before, Mr. Cole's role was essentially to assist me in drafting those findings, getting his direction from me based on what Mr. Sporkin had told me.

Q Did the three of you, that means you, Mr. Sporkin and Mr. Cole, meet together on this matter?

A I don't recall that.

Q If we could just briefly review the other pages to what is Exhibit 3. The second page is something that is marked "dummy copy." Do you know what that is?

A A dummy copy is the way we deal with certain very sensitive documents in our, at least in our OGC recordkeeping system. In other words, the full text copy will go to the actual recipient, and may go to some other recipients, but a dummy copy is put into what's called our signer files, which is a record of everything an attorney has drafted.

A dummy copy would be put into our OGC chrono -- chronology file -- would be put into, perhaps, the OGC registry; but it is done so that very sensitive matters are not spread out, if you will, throughout the office.

Q Does this dummy copy page reflect that any of your own files were going to receive a copy of these materials?

A Well, to me the dummy copy says -- distribution: original, Colonel Ollie North; ICA subject file, copy 2; OGC chrono, dummy copy; ILD opinion -- if your question was would I receive that, personally I don't have control over the ILD opinion files but that would be within my area. And "GDC Signer" would be Gary Cole, signer.

Q And why was he the signer of this document?

A It could have been one of two reasons. The secretary could have assumed that he did more of the actual drafting or the secretary could have simply made a choice between him and me.

Ordinarily, the secretaries will put the, will put in the signer -- will put a memo in the signer of the attorney who has done most of the actual drafting. However, that is not a hard and fast rule.

Q Did Mr. Cole do most of the drafting of the finding? The draft finding on January 2nd, January 3rd?

A I think he may have done the actual drafting. I think he may have done a bit more, but I recall it was fairly equal. We both played active roles in that.

Q And the next pages appear to be, first, the January 3rd draft, marked "draft"; and the January 2nd draft, marked "draft"; and the last page is an undated document which is actually a copy of what appears to be the November mini-finding.

Is it correct that you did not see this last page at any time prior to November 1986?

A That is correct.

Q Once the finding had been taken down by Mr. Sporkin to the White House, did you hear anything more about the finding?

A To the best of my recollection, I did not.

Q Do you recall speaking to Mr. Sporkin about the finding at any time after it had been taken down to the White House on the 3rd?

A No, I do not recall having done that.

Q Did you ever hear anything in January or February of 1986 about whether or not the finding you had worked on had been signed?

A Certainly not from Mr. Sporkin and, no, nothing -- when you say did I hear anything [illegible] heard nothing. The only subsequent discussion or discussions that I would have had on that would have been with Mr. Cole and with Mr. Makowka when Mr. Makowka returned from -- he was either on leave at that time and/or had been ill. And when Mr. Makowka came back I'm certain that I briefed him on this, and I'm certain that Mr. Cole and Mr. Makowka and I on one or more occasions among the three of us said has anybody heard anything about the finding? And the answer, as I recall, nobody knew anything more. Certainly Mr. Cole and I didn't.

Q Did you ever ask Mr. Sporkin, "What happened with respect to the finding we had worked on"?

A I don't -- I do not believe that I did.

Q Were you aware of any meetings that were going on on the subject of providing arms to Iran during January '86?

A No, I was not.

Q Was there a time in January [illegible] you were out of the office for a period of time?

A Yes, there was.

Q And what were the dates that you were out of the office?

A Well I'm at least certain that I was out of the office the week of 6 January.

Q For all of that week?

A Yes.

BEST AVAILABLE COPY

Q Were you aware that Mr. Cole participated in meetings on the subject of the finding and related matters during that week?

A Yes. I was subsequently made aware of that. Exactly when I don't recall, but subsequently I was made aware of that.

Q And what did you learn about those meetings or meeting?

A Well I had a copy -- well let me backtrack.

When the -- after November of '86, when the Iran initiative became public and we received requests from various, you know, the Independent Counsel and the committees to review our files for documents, at least at that point in time I reviewed my files, of course, and one of the documents that I located in my files was a draft of a memo, which I believe was dated 6 January 86, from Betty Ann Smith to George Clarke, on arms transfer.

Q And you understand that that was the subject or a subject at the meeting or meetings that Mr. Cole participated in the week of January 6th?

A I am not certain but I believe that it was.

Q Did you have any discussions on that subject during January of '86?

A No. In fact, you know, what may have happened was that when I returned the following week Mr. Cole may have given me a copy of that memo and indicated that he was involved in a follow-up meeting. I probably retained that memo because it was of interest to me, the legal analysis on foreign military sales, not in terms of any Iran initiative. I retained that document I am certain just because it had reference to statutes and some legal analysis on a number of different statutes.

Q In any of your discussions that you participated in in January of '86, were you ever told that freeing hostages was one of the objectives of the activities to be undertaken?

A I don't believe so.

Your question was, was I -- could you go over your question again?

Q The question was, did you ever learn in January of '86 that freeing hostages was one of the objectives of the finding?

A No. I don't believe that I ever learned that.

Q In January '86 did you ever come to learn what the NSC's relationship to the finding was?

A Other than what I have previously stated here the answer is no.

Q I'm not sure of what you're referring to.

A Well, in other words, knowing that Mr. Sporkin brought the finding down to the National Security Council, other than that fact, no, I have no -- I was not told about what role the NSC may have played in all of this.

Q The activity that kept you out of the office during the week of January 6 was a management course; is that right?

A That's correct.

Q And not only did you hear nothing more about the findings that you had worked on in early January, you also heard nothing about a January 17th, 1986 finding; is that right?

A That's correct; I heard nothing about that.

Q Do you recall writing a note to Mr. Makowka on the subject of the drafting of the finding in early January?

A I can't recall specifically having done that; however, when Mr. Makowka would be out of the office for a period of time, say, several days or a week, if I for some reason was not going to be in the office on the day he returned, my ordinary practice would be to dictate a note to the secretary, just going over a whole list of all of the activities that came to our division in the last few days or in the last week or in the last month, however long Mr. Makowka might have been out.

In fact, prior to my interview with Mr. Woodcock I had thought of that. That there might be something in that note, and asked my secretary to -- or asked our division secretary to review division files, review her own, you know, her own files. She even reviewed her own steno notebook and she couldn't find any such note. So I may have written one and I may not have.

Q But you're satisfied that an adequate search has been done for that and one wasn't located; is that right?

A Yes, I am satisfied.

MR. FEIN: Could I interrupt for just one second and go off the record?

(Discussion off the record.)

BY MR. CAROME:

Q Other than the drafts of the findings we have already looked at today --

A Um hum.

Q -- are you aware of the existence of any documents that relate to the drafting work in early January?

A Drafting work on these findings?

Q That's right.

A No, with the qualification that I indicated earlier, that Mr. Cole and I had used some other background-type of papers to assist us in drafting these types of findings. But that's the only other.

Q Did you take any notes of your discussions with Mr. Sporkin?

A Yes, I did.

Q And did you keep those notes?

A No. I would have discarded those notes pretty -- at the time we drafted this or pretty shortly thereafter.

Q Was that because Mr. Sporkin said something about not keeping papers on the subject?

A No, he said nothing of that sort. He said absolutely nothing of that sort. That was just a matter of practice, if you will. Just taking notes down on what somebody is giving instructions on and doing the assignment, and the notes have no independent value.

There was nothing unusual in discarding those notes in connection with this particular matter than in connection with any other matter I would have handled.

[redacted]

Pages 51 – 53

DENIED IN

TOTAL

[redacted]

Q Let me turn back to the point at which you became involved in drafting the January 1 -- excuse me -- January 2 and 3 finding. I was not present at the beginning of this deposition but I recall from our interview that as a member of the Intelligence Division of the Office of General Counsel it was not a usual thing for you to be involved in the drafting of a finding; is that correct?

A That's correct.

Q And when you had this task brought to your domain you sought guidance from earlier findings; is that correct?

A That's correct.

Q Had you known about a November finding on the same subject, then, presumably, you would have used that as well; is that correct?

A Presumably we would have.

Q But you did not use that, is that correct?

A We were not aware of the November finding and we did not use the November finding.

Q Let me turn to the two findings that have been marked Deposition Exhibits Nos. 1 and 2. If you would direct your attention to both of those.

The finding that is dated January 3, Deposition Exhibit No. 2, contains a reference to providing training and guidance to the moderate elements. Do you have any understanding as to what that meant?

A No, I do not.

Q That does appear to be a change from the previous day's effort, but I gather you have no understanding as to whether that meant U.S. personnel might go to Iran or what they might be training the moderates to do?

A No. I have no understanding of what that term meant.

Q Do you have any idea where it came from?

A It could have come from another finding that Mr. Cole and I had used as a -- used in assisting us in drafting this. It could have been Mr. Sporkin's addition. Those are two possibilities.

Q You have no independent recollection, however, I gather?

A No, I do not. It could have been Mr. Sporkin saying to us add in the word "training" or making some suggestions, but I have no recollection on that at this time.

Q The January 3 finding, Deposition Exhibit No. 2, also uses the term, in the second paragraph, "establish contact with the moderate elements."

A Um hum.

Q At the time this finding was drafted did you have any understanding as to whether contact had already been made with the moderate elements or whether this was something prospective?

A My best recollection would be that this was prospective.

Q And what would you base that recollection on?

A I base that recollection on the language of the finding here. I would really be purely speculating if I said that, you know, in my discussions with Mr. Sporkin that he had indicated that there had already been any contact. I have no recollection of that.

Q You, I believe, probably were already asked this in the deposition but let me --

A Let me just clarify that last point. Obviously, the discussions went along the lines, something along the lines of we are trying to establish, establish initiative, something along -- you know, or we had tried to make efforts to do this.

Q When you say obviously, you're gleaning that from the language of the finding, I gather?

A Yes, I'm gleaning that from the language of the finding.

Q Did you have an understanding as to whether the arms and equipment that are referred to in Deposition Exhibit No. 2 refer to any particular kinds of arms; whether, say, anything from handguns to missiles were contemplated?

A No; I don't believe that any of that was discussed with me.

Q The initial finding that was drafted --

A Um hum.

Q -- Deposition Exhibit No. 1, refers to providing arms to the government of Iran. That contrasts with language in Deposition Exhibit No. 2 that refers to providing arms to the moderate elements.

A That's correct.

Q Did you have any understanding as to how you could provide arms to the moderate elements that would not ipso facto be provided to the government of Iran?

A No, I had no understanding of that. And in fact, that particular point puzzled me and I recall discussing that with Mr. Cole, and I recall that it puzzled him somewhat, too.

Q Let me try and sharpen the point a bit. Presumably, if something as low power as handguns are being provided, then you might be able to provide those to a moderate faction within Iran and not have it go to the government of Iran; is that correct?

A I would be just -- I would merely be speculating on that.

Q Okay.

A I'm not an expert on the Iranian hierarchy.

UNCLASSIFIED

Q I understand. I'm trying to make a point of contrast here.

If, however, you provide a missile or a series of missiles, that's the kind of item that it is going to be hard for a moderate group to hold unto themselves, just in terms of common sense. Would you agree with that?

A I would have to agree that it would be more difficult to deal with a missile than with a handgun.

Q Okay. Now the reason I asked for that, or tried to make that contrast is to see if that would assist your recollection in this conversation that you had with Mr. Cole as to why it was that you thought there would be a problem providing weapons to a small faction that would not ipso facto go to the government.

In other words, did you have an understanding as to what kind of weapons would be involved, given that you focused on that problem?

A It's possible that we did but I think unlikely, and certainly now I have no recollection of that.

I might add that you talked about common sense before and that, you know, it may have been that at the time common sense led us to think that if this was being used in an Iran-Iraq conflict it would be more than handguns.

Q That certainly would be an exercise of common sense.

UNCLASSIFIED

A Yes.

Q The January 3 finding has the alternative language in it, which you have recognized, on notice to Congress.

A Um hum.

Q It contains in the first alternative a delay of notice by the President until he shall otherwise direct. Is that right?

A That's correct.

Q Now, if the law requires that a finding, notice of a finding can be delayed, however, Congress is to be notified in a timely fashion; is that your recollection of the law?

A Section 501 states that Congress will be kept fully -- currently informed of intelligence activities which specifically include significant and anticipated intelligent activities, which under the Hughes-Ryan amendment includes covert action or special activities.

The law then says that -- and it uses this language. If says, if -- well it says, I believe, in extraordinary circumstances where it's -- in extraordinary circumstances to protect the vital interests of the United States where it is essential to limit prior notice, prior notice may be limited to, or notice may be limited to, and there are eight senior officials in Congress: the chairman, you know, ranking minority member of the Intelligence Committees and four others.

But there is another section of another -- I believe it's Part B of that section of the National Security Act that says, if there has not been -- if the President has not provided the notice as required under subsection (a), which was the section I was just referring to, the President will provide a timely -- a full report on a timely basis to Congress of that.

Q The reason I asked that question is that the formula used in this first alternative, which is "until I otherwise direct," is really quite indefinite in the time period.

Do you recall where it was that particular formula came from?

A No, not specifically. I do know that Mr. Cole and I reviewed the National Security Act very carefully to make certain that this alternative language was consistent with the requirements of the law.

Again, I am -- this is speculation, but it may have been that Mr. Sporkin asked that that language be put in or it may have been language that Mr. Cole and I drafted ourselves.

Q Do you think leaving it that indistinct is consistent with the law?

A I believe that this was consistent with the law when we drafted it, as I said earlier; and as I have just said, we made every effort to review the statute and ensure that this type of language met the requirements of the law.

And there was nothing in here, or there is nothing on the face of this nor nothing that was brought to our attention at that time that would have indicated that notification would have been --notification would not have been provided for a period of time.

Q Is it your understanding that notice can be delayed indefinitely?

A As you two gentlemen have pointed out earlier, we are not the experts on special activities and covert action in Intelligence Law Division, so I would have to defer to other -- others in my office who have that responsibility and that expertise on that precise question.

Q So the answer would be you're not really sure, is that correct?

A I would rather let my answer stand as I have just stated it.

Q There is another point of comparison in these two exhibits, Deposition Exhibit 1 and Deposition Exhibit 2, that I'd like to draw your attention to.

The final paragraph of Deposition Exhibit No. 1 provides that the assistance, and that is a wide variety of existence, to Iran will be terminated if the U.S. Government learns that this materiel is being used for purposes other than the furtherance of Iran's war effort against Iraq.

That language contrasts with language in the second version of the finding, January 3, which states that these materiels are limited in their use essentially to the Iran-Iraq conflict. This assistance will be discontinued if the U.S. Government learns that these elements are misusing or intend to misuse this assistance for the purpose of reinstituting terrorist actions against U.S. persons, property or interests, or otherwise.

Do you recall how that transformation occurred?

A No, I do not recall that.

Q Did you have any understanding at that time as to whether, if the moderate elements used this materiel to, say, repel a Soviet invasion, that that would have been considered inconsistent with the purposes of this finding?

A I'm sorry. Repeat that question, please.

Q Had the Iranian moderate factions used the materiel that they were going to receive under this initiative to repe~~a~~l, say, a Soviet invasion, would that have been inconsistent, in your view, with the purposes expressed in either of these two documents?

A We really did not discuss any hypotheticals or any scenarios at that time as to when the assistance would be cut off. I do recall that, you know, a clear thrust of this was to help prevent terrorist acts against the United States, against U.S. citizens, U.S. property, any U.S. interests.

Q What I'm driving at with this question, and hoping perhaps to refresh your recollection on the point, if there was conversation on this point, is whether the Soviet Union was considered to be a military threat that needed to be addressed in either of these documents when you were called upon to draft them?

A I do not recall that the Soviet Union was discussed with regard to either of these documents.

Q In any way, shape or form, is that correct?

A That's correct.

MR. CAROME: Tim, can I follow-up with something on that sentence?

MR. WOODCOCK: Yes.

FURTHER EXAMINATION ON BEHALF OF THE HOUSE SELECT COMMITTEE

BY MR. CAROME:

Q That last sentence in the January 3rd version of the finding, which is Exhibit 2, refers to reinstituting terrorist actions.

Was there any discussion to the effect that the elements receiving these weapons had previously engaged in terrorist actions?

A Well, if you're referring to Deposition Exhibit

TOP SECRET

UNCLASSIFIED

No. 2, and you just said the elements receiving these weapons. I, to my knowledge -- I mean, I have no knowledge that prior to this finding anyone was -- any moderates or anyone in the Iranian government were receiving any weapons.

Q No. My focus is on the word "reinstituting," which seems to suggest that there had been terrorist actions and the goal here was to avoid reinstitution of such terrorist actions by these people. And it seems to be that the reinstituting under discussion here is by the elements receiving the weapons.

And I am wondering if you can recall, having focused on this point, any discussion on the question of whether or not the elements receiving these weapons had previously engaged in terrorist acts.

A It's possible that there was discussion about dealing with moderates who were acting somewhat more moderate now, somewhat more civilized. But again, to say that that kind of discussion went on with any kind of certainty is pure speculation on my part.

Q You said that you came to understand at this time that one goal of the activities contemplated was to control or stop terrorism; is that right?

A That's correct.

Q Now that goal doesn't seem to appear -- I withdraw that.

UNCLASSIFIED

A Yes, that is -- I believe that is stated in both findings.

Q And do you recall what Mr. Sporkin said about how the reduction of terrorism fit in with the activities contemplated here?

A Not specifically. I think I've, you know, answered that in terms of that there was an interest there in curtailing terrorist activities against the United States.

FURTHER EXAMINATION ON BEHALF OF THE SENATE SELECT COMMITTEE

BY MR. WOODCOCK:

Q Do you recall any discussion of having any commercial entity or private citizen play a role in the transferral of weapons or the acceptance of monies from Iran and putting this policy into effect?

A No. I recall no such discussion.

Q Did you have any understanding as to whether the United States was going to deal directly with Iran or was going to use any kind of a screen in its dealings with Iran?

A No, I do not, other than to reference my earlier statements about recalling that there might have been a reference to Israel. But other than that, no discussions of third parties. I'm fairly -- I'm very confident that there was no discussion of private U.S. persons or U.S. groups or corporations being used to channel this.

Q Or private citizens from any area of the world?

A Or private citizens; that's correct.

MR. WOODCOCK: I don't have any more questions.

FURTHER EXAMINATION ON BEHALF OF THE HOUSE SELECT COMMITTEE

BY MR. CAROME:

Q Just one small point --

A Sure.

Q -- to clean something up.

You talked earlier about a [redacted] finding that had been worked on in late 1985, is that right?

A Yes.

Q Did you ever learn whether or not that [redacted] finding was signed?

A No, I never learned the result of that finding either.

MR. CAROME: I don't have anything more. We can go off the record.

(Whereupon, at 3:02 p.m., the taking of the deposition was concluded.)

Partially Declassified/Released on
under provisions of E.O. 12356
by B. Reger, National Security Council

TOP SECRET
UNCLASSIFIED [redacted]

2 JAN 86

Deposition Exhibit
DR #1

Finding Pursuant to Section 662 of The Foreign Assistance Act of 1961 As Amended, Concerning Operations Undertaken by the Central Intelligence Agency in Foreign Countries, Other Than Those Intended Solely for the Purpose of Intelligence Collection

I hereby find that the following operation in a foreign country (including all support necessary to such operation) is important to the national security of the United States, and direct the Director of Central Intelligence, or his designee, to report this Finding to the intelligence committees of the Congress pursuant to Section 501 of the National Security Act of 1947, as amended, and to provide such briefings as necessary.

SCOPE	DESCRIPTION
Iran	Work with individuals and organizations both within and outside of Iran, and with selected foreign liaison services, and other foreign government entities, to identify, develop and promote the advancement of moderate alternative leaders in Iran. Provide intelligence, counterintelligence, communications assistance and funding to the identified potential alternative leaders to promote the establishment of a more moderate government in Iran and thus reduce the threat of terrorism directed against U.S. persons, property and interests. Protect and support these operations by conducting a program of deception, unilaterally and through third countries, which may include the use of all forms of propaganda. Provide arms, equipment and related materiel to the Government of Iran to assist in its military operations against Iraq in order to encourage to curtailment of terrorist activity directed against U.S. targets and interests. This assistance will be terminated if the U.S. Government learns that this materiel is being used for purposes other than the furtherance of Iran's war effort against Iraq.

The White House
Washington, D.C.
Date: 2 January 1986

UNCLASSIFIED
TOP SECRET [redacted]

1128c

CIIN #119

DEPOSITION EXHIBIT
DR-#2

UNCLASSIFIED [redacted]

T O P S E C R E T

3 JAN 86 #3

DRAFT

Finding Pursuant to Section 662 of The Foreign Assistance Act of 1961 As Amended, Concerning Operations Undertaken by the Central Intelligence Agency in Foreign Countries, Other Than Those Intended Solely for the Purpose of Intelligence Collection

I hereby find that the following operation in a foreign country (including all support necessary to such operation) is important to the national security of the United States, [and due to its extreme sensitivity and security risks, I determine it is essential to limit prior notice, and direct the Director of Central Intelligence to refrain from reporting this Finding to the Congress as provided in Section 501 of the National Security Act of 1947, as amended, until I otherwise direct.]

-or-

[and direct the Director of Central Intelligence, or his designee, to report this Finding to the intelligence committees of the Congress pursuant to Section 501 of the National Security Act of 1947, as amended, and to provide such briefings as necessary.]

SCOPE	DESCRIPTION
Iran	Work with Iranian elements, groups and individuals, selected foreign liaison services and third countries, all of which are sympathetic to U.S. Government interests and which do not conduct or support terrorist actions directed against U.S. persons, property or interests, for the purpose of: (1) establishing a more moderate government in Iran, and (2) obtaining from them significant intelligence not otherwise obtainable, to determine the current Iranian Government's intentions with respect to its neighbors and with respect to terrorist acts. Provide funds, intelligence, counterintelligence, training, guidance and communications assistance to these elements, groups, individuals, liaison services and third countries in support of these activities. Establish contact with the more moderate elements within and outside the Government of Iran to establish their credibility with that Government by the provision of arms, equipment and related materiel to these elements on condition that these materials be limited in their use essentially to the Iran-Iraqi conflict. This assistance will be discontinued if the U.S. Government learns that these elements are misusing or intend to misuse this assistance, for the purpose of reinstituting terrorist actions against U.S. persons, property or interests, or otherwise.

Declassified/Released on 29 JAN 88
under provisions of E.O. 12356
[illegible] National Security Council

5668

The White House
Washington, D.C.
Date: 3 January 1986

UNCLASSIFIED [redacted]

OGCR TS 0801-86
~~COPY 1~~ copy 2

Executive Registry 32,526

T O P S E C R E T

UNCLASSIFIED

UNCLASSIFIED when [illegible] Document [illegible]
declassified when filled [illegible] detached from the document [illegible]

1/3/86
3 JAN 86.
Deposition Exhibit
DR #3

CONTROL AND COVER SHEET FOR ~~TOP SECRET~~ DOCUMENT (COLLATERAL)

CATS CONTROL NUMBER OCR TS 0801-86	CIA COPY NUMBER 1	DOCUMENT DATE 3 Jan 86	DATE RECEIVED 3 Jan 86
NO. PAGES one	NO. OF ATTACHMENTS CATS / # ATTACHMENT none	BRANCH BADGE / OR LOCATION	LOGGED BY sk

SUBJECT
PF
OGC-86-50051

CIA SOURCE INFORMATION		EXTERNAL SOURCE INFORMATION		
ORIGINATOR		ORIGINATOR		
DIRECTORATE	OFFICE/BRANCH	AGENCY	CONTROL NUMBER	COPY NO.
DCI	OGC ILD			

ATTENTION: This form will be placed on top of and attached to each Top Secret document received by the Central Intelligence Agency or classified Top Secret within the CIA and will remain attached to the document until such time as it is downgraded, destroyed, or transmitted outside of CIA. Access to Top Secret matter is limited to Top Secret Control personnel and those individuals whose official duties relate to the matter. Top Secret Control Officers who receive and/or release the attached Top Secret material will sign this form and indicate period of custody in the left-hand columns provided. Each individual who sees the Top Secret document will sign and indicate the date of handling in the right-hand columns.

REFERRED TO	RECEIVED			RELEASED		SEEN BY		
OFFICE	SIGNATURE	DATE	TIME	DATE	TIME	SIGNATURE	OFFICE/DIV	DATE

Partially Declassified/Released on 30 June 1987
under provisions of E.O. 12356
by B. Reger, National Security Council

When this form is detached from Top Secret material it shall be completed in the appropriate spaces below and forwarded to the Agency Top Secret Control Office.

DOWNGRADED	DESTROYED	DISPATCHED (Outside CIA)
TO	BY (Signature)	TO Oli North [illegible]
BY (Signature)	WITNESSED BY (Signature)	BY (Signature) hand carried - Stanley Sp
DIRECTORATE & AREA OFFICE	DIRECTORATE & AREA OFFICE	DIRECTORATE & AREA OFFICE General Counsel 36
	DATE	DATE 3 January 1986

FORM 26 OBSOLETE PREVIOUS EDITIONS

TOP SECRET [redacted]

CIIN #117

1128

UNCLASSIFIED [redacted]

OGC-86-50031
3 January 1986

D
U
M
M
Y

C
O
P
Y

The White House
Washington, D.C.
Date: 3 January 1986

Distribution:
Original - Col. Oli North (copy 1)
1 - ICA Subject file (copy 2)
1 - OGC Chrono (dummy copy)
1 - ILD Opinion file -(dummy copy)
1 - GDC Signer (dummy copy)

OGCR TS 0801-86
copy 1

Partially Declassified/Released on 23 June 1987
under provisions of E.O. 12356
by B. Reger, National Security Council

CIIN # 117

1128a

UNCLASSIFIED [redacted]

Partially Declassified/Released on 22 June '88
under provisions of E.O. 12356
by B. Reger, National Security Council

UNCLASSIFIED [redacted]

DRAFT

Finding Pursuant to Section 662 of The Foreign Assistance Act of 1961 As Amended, Concerning Operations Undertaken by the Central Intelligence Agency in Foreign Countries, Other Than Those Intended Solely for the Purpose of Intelligence Collection

I hereby find that the following operation in a foreign country (including all support necessary to such operation) is important to the national security of the United States, [and due to its extreme sensitivity and security risks, I determine it is essential to limit prior notice, and direct the Director of Central Intelligence to refrain from reporting this Finding to the Congress as provided in Section 501 of the National Security Act of 1947, as amended, until I otherwise direct.]

-or-

[and direct the Director of Central Intelligence, or his designee, to report this Finding to the intelligence committees of the Congress pursuant to Section 501 of the National Security Act of 1947, as amended, and to provide such briefings as necessary.]

SCOPE	DESCRIPTION
Iran	Work with Iranian elements, groups and individuals, selected foreign liaison services and third countries, all of which are sympathetic to U.S. Government interests and which do not conduct or support terrorist actions directed against U.S. persons, property or interests, for the purpose of: (1) establishing a more moderate government in Iran, and (2) obtaining from them significant intelligence not otherwise obtainable, to determine the current Iranian Government's intentions with respect to its neighbors and with respect to terrorist acts. Provide funds, intelligence, counterintelligence, training, guidance and communications assistance to these elements, groups, individuals, liaison services and third countries in support of these activities. Establish contact with the more moderate elements within and outside the Government of Iran to establish their credibility with that Government by the provision of arms, equipment and related materiel to these elements on condition that these materials be limited in their use essentially to the Iran-Iraqi conflict. This assistance will be discontinued if the U.S. Government learns that these elements are misusing or intend to misuse this assistance, for the purpose of reinstituting terrorist actions against U.S. persons, property or interests, or otherwise.

The White House
Washington, D.C.
Date: 3 January 1986

OGCR ~~TS~~ 0801-86
~~copy 1~~ copy 2

11286

CIIN # 118

UNCLASSIFIED [redacted]

CL BY 0786575
DECL OADR

Partially Declassified/Released on [illegible]
under provisions of E.O. 12356
by B. Reger, National Security Council

TOP SECRET [redacted]
UNCLASSIFIED

Finding Pursuant to Section 662 of The Foreign Assistance Act of 1961 As Amended, Concerning Operations Undertaken by the Central Intelligence Agency in Foreign Countries, Other Than Those Intended Solely for the Purpose of Intelligence Collection

I hereby find that the following operation in a foreign country (including all support necessary to such operation) is important to the national security of the United States, and direct the Director of Central Intelligence, or his designee, to report this Finding to the intelligence committees of the Congress pursuant to Section 501 of the National Security Act of 1947, as amended, and to provide such briefings as necessary.

SCOPE	DESCRIPTION
Iran	Work with individuals and organizations both within and outside of Iran, and with selected foreign liaison services, and other foreign government entities, to identify, develop and promote the advancement of moderate alternative leaders in Iran. Provide intelligence, counterintelligence, communications assistance and funding to the identified potential alternative leaders to promote the establishment of a more moderate government in Iran and thus reduce the threat of terrorism directed against U.S. persons, property and interests. Protect and support these operations by conducting a program of deception, unilaterally and through third countries, which may include the use of all forms of propaganda. Provide arms, equipment and related materiel to the Government of Iran to assist in its military operations against Iraq in order to encourage to curtailment of terrorist activity directed against U.S. targets and interests. This assistance will be terminated if the U.S. Government learns that this materiel is being used for purposes other than the furtherance of Iran's war effort against Iraq.

The White House
Washington, D.C.
Date: 2 January 1986

1128c

UNCLASSIFIED
TOP SECRET [redacted]

CIIN #119

UNCLASSIFIED [redacted]

DRAFT

Finding Pursuant to Section 662 of the Foreign Assistance Act of 1961, As Amended, Concerning Operations Undertaken by the Central Intelligence Agency in Foreign Countries, Other Than Those Intended Solely for the Purpose of Intelligence Collection

I have been briefed on the efforts being made by private parties to obtain the release of Americans held hostage in the Middle East, and hereby find that the following operations in foreign countries (including all support necessary to such operations) are important to the national security of the United States. Because of the extreme sensitivity of these operations, in the exercise of the President's constitutional authorities, I direct the Director of Central Intelligence not to brief the Congress of the United States, as provided for in Section 501 of the National Security Act of 1947, as amended, until such time as I may direct otherwise.

SCOPE	DESCRIPTION
Hostage Rescue - Middle East	The provision of assistance by the Central Intelligence Agency to private parties in their attempt to obtain the release of Americans held hostage in the Middle East. Such assistance is to include the provision of transportation, communications, and other necessary support. As part of these efforts certain foreign material and munitions may be provided to the Government of Iran which is taking steps to facilitate the release of the American hostages. All prior actions taken by U.S. Government officials in furtherance of this effort are hereby ratified.

Partially Declassified/Released on 22 June 1987
under provisions of E.O. 12356
by D. Reger, National Security Council

The White House
Washington, D.C.

Date:

1128d

CIIN #120 UNCLASSIFIED [redacted]

STENOGRAPHIC MINUTES
Unrevised and Unedited
Not for Quotation or
Duplication

UNCLASSIFIED
SECRET

HMTS 134 /87

SERIAL NO. 1 OF 2 COPIES

4242

Committee Hearings

of the

U.S. HOUSE OF REPRESENTATIVES

Partially Declassified/Released on 14 JAN 88
under provisions of E.O. 12356
by K. Johnson, National Security Council

OFFICE OF THE CLERK
Office of Official Reporters

UNCLASSIFIED
SECRET

COPY NO. 2A OF 2 COPIES

UNCLASSIFIED

Dotson/drg
Take #1

DEPOSITION OF WILLIAM PAUL ROSENBLATT

Friday, September 25, 1987

U.S. House of Representatives,
Select Committee to Investigate
Covert Arms Transactions with Iran,
Washington, D.C.

The committee met, pursuant to call, at 9:10 a.m., in Room B-336, Rayburn House Office Building, Pamela Naughton presiding.

Present: Pamela Naughton, on behalf of the House Select Committee.

Robert Genzman, on behalf of the House Select Committee.

Thomas McGough, on behalf of the House Select Committee.

Also present: Elizabeth B. Anderson, on behalf of the witness.

Partially Declassified/Released on 14 JAN 88
under provisions of E.O. 12356
by K. Johnson, National Security Council

UNCLASSIFIED

Whereupon,

WILLIAM PAUL ROSENBLATT,

was called as a witness on behalf of the House Select Committee and having been duly sworn, was examined and testified as follows:

EXAMINATION BY COUNSEL FOR THE HOUSE SELECT COMMITTEE

BY MS. NAUGHTON:

Q Could you state your full name for the record.

A William Paul Rosenblatt. R-o-s-e-n-b-l-a-t-t.

Q Could you state your title please?

A Assistant Commissioner Enforcement, United States Customs Service.

Q My name is Pamela Naughton, Staff Counsel for the House Select Committee to Investigate Covert Arms Transactions with Iran. I would ask those present in the room to state their names and title.

MR. MC GOUGH: Thomas McGough, Assistant Counsel to the House Select Committee.

MR. GENZMAN: Robert W. Genzman, Associate Minority Counsel to the House Committee.

MS. ANDERSON: Elizabeth Anderson. I represent Mr. Rosenblatt.

BY MS. NAUGHTON:

Q Now, Mr. Rosenblatt, we interviewed you a while ago on basically three different areas, and I want to go through those in perhaps a little more detail today. Hopefully, we can take these areas chronologically, but complete the subject matter before we turn to another.

The first issue I would like to turn to, and I hope this is the correct chronological order, is the Maule Aircraft investigation, and it is M-a-u-l-e. If we can start with a couple preliminaries first, could you tell us in your capacity what your functions are at Customs?

A As the Assistant Commissioner for Enforcement, I am responsible for all enforcement investigative matters as it relates to the jurisdiction authorized by the Customs Service in various United States codes. There are approximately 400 laws that we enforce.

Q This enforcement would include criminal prosecutions?

A Criminal and civil, yes.

Q Now, prior to the investigation concerning Maule Aircraft, did you have any contact with Colonel North?

A No.

Q Could you tell me how this particular investigation came to your attention?

A Approximately middle to latter part of August, maybe even beginning of September, I had occasion to be in the Commissioner of Customs, William VonRabb's, office, at which time he mentioned to me that he had a conversation with

Colonel North relative to an inquiry made by Colonel North on Maule Aviation, and the way the Commissioner put it to me, that according to Mr. North, or Colonel North rather, we were being very heavy-handed in our investigative pursuit of the case in the Atlanta, Georgia area, and, therefore, the Commissioner wanted me to look into it to determine whether or not Colonel North's contentions were accurate or not.

Q Did the Commissioner tell you what Colonel North had told him?

A In substance. I don't believe in verbatim -- the Commissioner and I do not operate that way that we would state verbatim the conversation.

Q Did the Commissioner tell you Colonel North's concern was over the substance of the investigation or of the manner in which the agents were going about the investigation?

A The manner in which the investigation was being conducted.

Q Exactly what do you mean when you say manner?

A In other words, being too aggressive in conducting their investigation.

Q Where was the investigation taking place?

A I believe in what I consider the Atlanta, Georgia area.

Q Which region is that for Customs?

A The Southeast Region.

Q Who is the Customs person in charge of the Southeastern Region?

A The Regional Commissioner is George Heavey.

Q Would you spell that?

A H-e-a-v-e-y.

MS. ANDERSON: At the time.

THE WITNESS: Oh, at the time? Edward Kwas at the time.

BY MS. NAUGHTON:

Q Could you spell that, please?

A Edward and then K-w-a-s.

Q Do you know what Commissioner VonRabb's relationship had been with Colonel North up to this time?

A No, I don't.

Q Did the Commissioner ever speak to you about Colonel North's involvement or connection with General Singlaub?

A Not that I can recall.

Q Do you recall any discussion of a helicopter purchased named Lady Ellen?

A That I recall.

Q What can you tell me about that?

A Apparently, there had been some conversation between the Commissioner and either General Singlaub or possibly

UNCLASSIFIED

Colonel North, I am not sure which, relative to the Lady Ellen. Customs had detained the helicopter in the South Florida area, I believe Fort Lauderdale. We were determining, based on that detention, whether or not State Department had issued a license for the exportation of that helicopter. We subsequently determined that it had not been, a license had not been issued, and, therefore, the Commissioner was advised of that, and I believe General Singlaub was subsequently advised, I did not personally advise him, I don't know who did, that a license was required.

I subsequently found out that a license was issued for the exportation of that helicopter by, I presume, General Singlaub.

Q The exportation office, not the issuance of the license?

A The license was issued for the exportation of the helicopter.

Q Do you know what Colonel North's connection was to this helicopter?

A No, I do not.

Q Do you know if he communicated to the Commissioner the desire for a license to be issued?

A No, I do not.

Q Do you know if he had any input?

A I do not.

UNCLASSIFIED

Q Now, could you tell us how it is the Maule investigation began, what precipitated the investigation?

A To the best of my recollection, I believe it was CBS News had a segment of a news broadcast wherein it interviewed a pilot who claimed to have ferried aircraft from Maule to [redacted]

The Department of Justice was watching this TV broadcast, and on the basis of this broadcast, requested Customs to conduct an appropriate investigation.

Q Were they ferried into [redacted] or into Nicaragua [redacted]

A I think it was [redacted] and Nicaragua specifically. [redacted]

Q At any rate, one of the things you wanted to determine from the investigation was whether or not it had been ferried into either [redacted] or Nicaragua?

A That is correct.

Q Was Joe Tafe the person at the Department of Justice that asked Customs to look into the case?

A I am not absolutely positive. I know in our initial discussion, I probably used the name of Joe Tafe, since that is the individual I am most familiar with over at the Department of Justice, to get involved in these matters. It could well have been some other individual. I wouldn't necessarily know that detail because it would come over in writing and go directly to our Strategic Investigations Division.

Q Now, what kind of aircraft was it that was the subject of this investigation?

A It was my understanding there were -- nomenclature was Super Piper cubs or Seneca Piper aircraft.

Q Can you tell me what type of aircraft that is?

A I am not absolutely positive, but I gather they are single-engine high-wing aircraft.

Q Now, could you tell us precisely what violations of law would Customs be looking at in this type of investigation?

A Basically, there would be two segments or sections of law we would be concerned with: one, Arms Export Control Act, whereby these aircraft would have what we call military hard points that require a State Department License; secondly, whether or not there was some special equipment on it, such as a STOL kit, S-T-O-L, which stands for short takeoff and landing equipment, which would require a Commerce Department license.

Looking back on this, of course, there is also the aspect of a foreign asset control license to an embargoed country such as Nicaragua. We were fairly confident right from the inception that the aircraft was practically incapable of having what we call military hard points put on it, not beyond the realm of possibility, but not probable, because of a variety of technical aspects. So, basically, we were dealing with two areas, whether or not it required a Commerce license or -- and/or required a license from the foreign assets control because of an embargoed country.

Q Also, if on the form the actual point of destination was erroneous, in other words, if the plane actually was intended to go or did indeed go to Nicaragua but a different end-user or different point of destination had been put on the government form, would that also have been a falsifying?

A Yes, we could have gone after that too.

Q When you say hard points, would such a hard point, for instance, be a gun mount?

A Yes, that would be correct.

Q After Commissioner VonRabb asked you to or told you about his conversation with North, what did he ask you to do about it?

A Just to look into it and ascertain whether our people were being over-aggressive about the investigation, and the general nature of our investigation and our pursuit.

Q And did you call Colonel North?

A I did later that day, the same day.

Q Had you spoken to him ever before?

A No.

Q What did you tell North when you called him?

A That I was calling him in connection with his conversation with the Commissioner relative to the Maule investigation.

At that time, he thanked me, and he indicated that our people were being very aggressive and were asking for all kinds of records from Maule relative to the shipment of these aircraft. He indicated at that time that the Maule people were good guys and that we were basically, these are my words, not his words, that we were barking up the wrong tree.

At that time, I indicated, I said, well, are our people being overly-aggressive, or exactly what was wrong with our people's conduct? And he said, no, you know, our people had been courteous, but that we were demanding all kinds of records from Maule, and I indicated to him, I said to him, look, the easiest way for us to determine any violations of law, and I went into the potential violations of law as I have already done with you on the exposure and what we needed to do was get documentation as quickly as possible and photographs of these aircraft so we could determine whether or not there was a STOL kit on these aircraft, which would require a license, and also shipping documents and invoices, purchase orders relative to these four aircraft.

It was at this time, he indicated to me that one of the aircraft had crashed, it was located [redacted] and that the other three were over [redacted] being used for shipments of medical supplies and other humanitarian purposes.

And I said, well, if that's truly the case, then we would be able to clear this matter up rather rapidly if he could provide me, since he had offered to provide me, the documentation that I had enumerated earlier in my conversation with him.

Q Well, did his volunteering of the information that one had crashed and two were [redacted] and so forth --

A Three.

Q Three were [redacted]

A Yes.

Q Were any [redacted]

A One crashed [redacted] a total of four.

Q Did he say it crashed [redacted]

A The best I can remember, it crashed and was in [redacted] Whether it crashed in [redacted] or not, I can't tell you.

Q Did he impart this information to you during that very first phone call you had with him?

A As best as I can recollect, yes.

Q My notes of our interview indicated that he volunteered that information to you at a subsequent conversation, but, again, this is your deposition, and this is what is going to be on the record. So, to the best of your recollection, was this all a part of that same initial conversation?

A I think you are correct, I think it was in the second telephone conversation we had about it, because it was also during that period of time he offered that one of my agents could go down and see the aircraft, and that's where we got into him detailing to me where the aircraft were located.

Q If we can step back to the first conversation, did he tell you that the planes were being used to carry medical and humanitarian supplies?

A That is what he indicated to me.

Q Did he mention who actually purchased the aircraft?

A No, I don't recall him mentioning that, no.

Q If we can explain the term, "Maule", is that the name of a company or the name of an aircraft?

A That's the name of a company.

Q What does the company do, to your knowledge?

A Manufactures and builds aircraft, assembles aircraft.

Q Maule was not the purchaser of the aircraft, it sold it to someone else?

A That is correct.

Q Colonel North did not give you the name of the individuals or corporations that purchased the aircraft?

A No. I didn't think he would know that information, that is why I was asking for the purchase orders, the invoices, the documentation associated with a sale, particularly this sale of four aircraft.

Q In any of your conversations with Colonel North, did he ever mention Richard Secord was involved with this aircraft?

A Not that I recall.

Q Do you want to go off the record?

A Yes.

(Discussion off the record.)

BY MS. NAUGHTON:

Q If we can go on the record.

Would you answer that question and tell me what you said off the record?

A To the best of my recollection, Colonel North did not mention Mr. Secord's name at that time. However, later on, when I acquired some records from Colonel North, I happened to have observed the name, Secord, on one of the documents provided to me.

Q And did he provide you the documents sometime in November of 1986?

A Yes. My best recollection of that would have been

November 17, the morning of November 17, they were picked up by my Enforcement Assistant at my direction after I had a telephone conversation with Colonel North.

Q Could you explain to me when -- at the time that you first made the phone call to Colonel North, what did you understand his job to be at the NSC? Who did you understand that he was?

A That he was a -- my impression was he was a high-ranking official within the National Security Council.

Q Did you know what it is he did there?

A No.

Q Do you know what accounts he had?

A No.

Q Do you know what his -- did he explain to you what his involvement was at all in this whole issue of this aircraft?

A No. But that's not unusual for me to get calls or even a Commissioner to get calls in our capacity, nor was it unusual for me when I was working in the field as a special agent in charge to get a call from different individuals. Sometimes they were businessmen, sometimes they were congressional staffers, making inquiry about a case or making representations about individuals or corporations.

It's not the first time I have heard the term "good guys" by people that would call up and make an inquiry about an investigation being conducted by special agents of U.S. Customs.

Q Did Colonel North tell you how he learned this information?

A No. However, let me qualify my answer. During the course of that initial conversation and the subsequent conversation, it became obvious to me that somebody in Maule had communicated either directly with Colonel North or through an intermediary. Otherwise how would he know our people were conducting an investigation?

Q Did you discuss any other case with Colonel North on that initial conversation?

A No.

Q We will discuss later on what I will refer to as the Kelso case.

Did you discuss that with Colonel North during that initial conversation?

A Not at that time, no.

Q At that point, that first conversation, had a grand jury subpoena actually been served to Maule?

A No.

Q Did you and Colonel North discuss the service of such a subpoena?

A No.

Q After speaking with North, what did you do?

A Subsequent to speaking with Colonel North, I called Mr. Leon Guinn, who is the Assistant Commissioner for Enforcement, Southeast Region, inquired about the case, the Maule investigation specifically, asked him what the status was. He informed me that Maule Aviation officials had been uncooperative in the course of our investigation and that the special agent and the special agent in charge were discussing with the Assistant U.S. Attorney assigned to the case, or at least the Assistant U.S. Attorney, and our people were discussing the matter about going for a grand jury subpoen

I indicated to Leon that I had a source whereby I thought I could expedite the investigation and make a preliminary determination whether we had a violation or did not have a violation and how much more we should pursue this matter. I would like to pause here in my deposition to point out to you, we have gotten -- we, the U.S. Customs Service -- has gotten a lot of allegations about various materials being sent to the contras. Principally, we got these leads from the Federal Bureau of Investigation, and invariably when we pursued them, the allegations were either unfounded or it was difficult, if not impossible, to pursue them, because you would have to go into Nicaragua. Our agents were just not allowed into Nicaragua.

So I indicated to Mr. Guinn, if he had no objections, I would like to utilize this source and see if we can get these documents to make a determination of whether to pursue it and how intense we should pursue it.

Q Did you tell Mr. Guinn who your source was?

A No, I did not.

Q Any reason why not?

A I didn't think he needed to know.

Q Did Guinn, in effect, tell you that Maule Aircraft was stonewalling the investigation and not being cooperative?

A Yes. I have already indicated that. That's the term I used during our interval. I think I basically said the same thing, they were being very uncooperative.

Q When is the next time that you communicated with Colonel North regarding this investigation?

A I would say a couple weeks after my initial telephone conversation with him, because I had not received any documents or any call from him, so I pursued the matter by calling him --

Q If I can stop you there for one second, did you ever send any written materials to Colonel North, any notes, any letters, anything of that type?

A No.

Q Other than the documents provided to you on this investigation, did he send to you any memoranda, letters, notes, any documents?

A No. We are jumping ahead now. Other than what we have discussed at our initial interview.

Q That he delivered on November 14?

A Well, he or -- what is his name -- Owens delivered. I don't want to jump ahead. You have to guide this thing.

Q Did you make any contemporaneous notes during any of your conversations with Colonel North?

A No.

Q Did you make any notes afterwards or any memoranda of your conversations with Colonel North?

A No.

Q Did you keep any logs which would indicate when you spoke to Colonel North?

A The only thing that I kept was the telephone number for Colonel North's office and also the telephone number for Mr. Owens and the name of the firm, if you will, or the name that Mr. Owens gave to me for his particular position there too.

Q You said approximately two weeks later you called North to ask him where the documents and photographs were. What did he tell you about them?

A That he was still trying to obtain them from Maule. This is when he offered to have me send an agent down [redacted] because that was one of the requirements I wanted with respect to our initial conversation on it, because this would give us a good idea whether or not it had a STOL kit, also whether or not it had hard points. He was a little apologetic he had not gotten the documents to me during the intervening two weeks. I reiterated that the sooner we got the documents, the sooner we would be able to make a determination. And if he could get the documents, then we would be proceeding with our investigation.

Q Had Colonel North told you that all of the planes had been exported to [redacted]

A I am not positive, but I recollect that there was a reference to [redacted]

Q And he told you one had crashed, but he was not sure where, is that correct?

A Yes, I am not sure where it crashed other than he stated it had crashed, it was [redacted] Based on what one would assume, without asking a follow-up question, that it had crashed [redacted] Technically, from the way you are asking me the question, it could have crashed any place, and someone could have ferried it over and put it in [redacted]

Q As far as you understood, the remnants of the airplane --

A Yes, the remnants of the airplane were [redacted]

Q I see.

A He used the term "crashed" with me, okay?

Q And the remaining three were [redacted]

A [redacted]

Q Did he mention to you how it crashed?

A No.

Q Did he offer to arrange for your agents to view the aircraft in Central America?

A Yes. And I asked him whether this had to be done openly or otherwise, and he said, no, it could not be openly, and I said, well, we can't get involved in that, and I just courteously asked him to get the documents and photographs I had requested in my initial conversation with him to me as quickly as possible.

Q Did he explain to you why your agents would not be able to go down there overtly and check into the embassy and do things according to regular procedure?

A No. And I didn't ask him.

Q Did you find this to be suspicious?

A It is an interesting phenomena. There is times when various agencies that are stationed in foreign countries will say, "Gee, we have no problem", and sometimes the embassy will say, "No, we don't want you down" or vice-versa, the embassy has no problem but the agency may have a problem with us coming down, and we have to work all these things out.

I didn't find it unusual that he wouldn't explain it. You have got to remember that I am -- I was somewhat conversant with current events about [redacted] the Nicaraguan matter, and if he said that he had -- my agent would have to go down [redacted] not in the official capacity as an agent, I assumed there had to be a reason that he was knowledgeable about, and since he was with the NSC, I had to respect that.

Q Did Colonel North, after this conversation, which is approximately two weeks after the first, and mid-September, did he ever call you again about this investigation, or was it always a matter of you checking back?

A As it relates to this investigation, it was always me calling him.

Q And then after that second conversation, do you recall if you called him again? This would be after mid-September.

A Relating to this investigation?

Q Yes.

A Yes.

Q Do you recall approximately how many times?

A I would estimate, it had to be either three or four times, I can't tell you exactly was it three or four, but it was one of the two.

Q During this period of time, were you also in contact with the Southeast Region telling them what was going on, or were they inquiring what they could do next, that sort of thing?

A I would say approximately three to four weeks after my initial telephone conversation with Mr. Guinn, we were having a telephone conversation about other Customs matters, and this issue came up. And as a result, I am confident that it stimulated my making the third phone call, if you will, and, once again, when I called Colonel North, he was very apologetic this time that he had not gotten the material to me, he told me once again he was going to get right on it. And I would say that this had to be near the end of September by this time.

There was subsequent conversation with Mr. Guinn in a conference call, and this would have been in November, I would say mid-November, whereby we had a conference call, he and I, along with Clark Settles, who was a special agent in charge in Charleston, and both of them were inquiring about the investigation, and I said, gee, I am surprised that you don't already know, I already told Strategic to notify you to continue the investigation, and I related to him at that time that based upon the documents submitted by my source and upon review of those documents, that they were very shallow, they were not responsive to answer the questions that needed to be answered to determine whether or not a violation had occurred, that I had sent those documents up to our Strategic Division and that their case agent from Atlanta had reviewed them, along with the Division Director in Strategic, and we all agree that they, they did not address the issue, and they were going to continue to conduct the investigation.

Q That was sometime in mid or late November?

A It was mid-November.

Q Now, between that time, then, from late September until mid-November, did you continue to try to get the documents from Colonel North?

A Yes. Like I said, there had to be some time in October, and I am not sure, probably middle of October, that I called again specifically about this Maule investigation.

Q If I can freeze you in time for a moment of that, let's say October of 1986. In October of 1986, if you had been told the name Richard Secord, would that have run any bells with you at all concerning other investigations?

A Yes, the name, Richard Secord, not only in conjunction with the investigation, but it was a name appearing in the paper, so I was familiar with the name, Richard Secord.

Q When it was appearing in the paper, was that in connection with possible contra supply programs?

A Yes.

Q Do you ever recall discussing the Maule investigation with Colonel North at the same time or in the same conversation which you were discussing the Southern Air Transport investigation? I know we are jumping ahead a little bit.

A I am not absolutely positive of this, but I think that at one time when I was discussing the Southern Air Transport, I had mentioned to, or not only mentioned, but I reiterated to Colonel North that I was still waiting for the documentation on the Maule, and I wasn't as courteous as I was in the previous conversations because I was getting very exacerbated because we are talking six to eight weeks, and I still don't have documentation. I was put out.

Q Now, in early November, I believe, you were visited by an attorney from the Public Integrity Section of the Department of Justice named Ralph Martin, who had been assigned to review contra-related cases and review of the House Judiciary Committee's inquiry to appoint Independent Counsel to study the whole problem after the Hasenfus crash in October of 1986. Do you recall that meeting?

A Yes.

Q Do you recall what Mr. Martin asked you about?

A He asked -- he had a letter that contained a, quite a few names in a letter, and he asked me whether or not I was familiar with some of those names, or any of those names.

Q Okay. Now, who was the letter from?

A I think it was from Congressman or Senator Kerry going over to the Attorney General.

Q Did that list of names include Richard Secord?

A It may have. I don't recall. I mean, for me to look at that letter, with all the names on it, I don't keep all these names in my head. That meeting, by the way, so we get it on the record, it was not only Mr. Martin, but there was another attorney there as well. There were people from my office there specifically --

Q Excuse me, when you say another attorney, you mean from the Department of Justice?

A Yes.

Q Was that Marshall Jarrett?

A It could have been. I just don't remember the name.

From Customs, Rafael Lopez, who was our Branch Chief for Munitions, as well as Gary W-a-u-g-h, who was our Strategic Division Director -- Branch Chief, rather. At the time I asked ~~Ray~~ Rafe to make sure they go against all the names against our files, and as I was out of town, I was going down to the Southwest, as well as overseas as best I can recollect now, I wanted to make sure that we were responsive to Mr. Martin's inquiry and whether or not we had any active investigations or any kind of inquiries or anything like that, I wanted that to be responsive.

In my absence, a memorandum was prepared by Mr. Lopez, signed by Mr. Lopez, going over to Mr. Martin with the result of our inquiry against our indices, whether or not these names meant anything to us.

Q Aside from the names, did Mr. Martin inquire about any ongoing investigations you had relating to the contras?

A Yes. And I believe again Mr. Lopez discussed with him whatever investigations we may have had. I believe he was talking about active investigations. And as I have already stated in this deposition, there was a number of allegations over the course of the last several years about arms going down to the contras and arms going to the Sandinistas that they were compelled to check out. In most of the cases, I would say invariably they proved to be unfounded.

Q Did you tell Mr. Martin anything about the Maule Aircraft investigation?

A No, I did not.

Q Why not?

A Because Felix Ray Lopez could just have easily have talked to him about that.

Q Did Mr. Lopez know about your communications with Colonel North?

A No, he did not know about my communications with

Colonel North, but they were aware that I was dealing with a source in hopes to get information; that had no bearing on whether or not we told Martin whether or not we had an investigation. It was no secret that we had an investigation, that was open and above board.

Q You didn't tell Mr. Martin about the Maule investigation, is that correct? You left that to Mr. Lopez?

A I am not saying I did or didn't. I don't recall if I did or did not mention the Maule. I could well have. If I didn't, it wasn't because I was holding something back, it was an open investigation on our inventory that would be easily discernible if the Maule name came up or insofar as asking whether or not we had an active investigation. That would be something that would be known not only to me but also to my Branch Chiefs and Division Directors.

Q In answer to my question, do you remember specifically discussing the Maule investigation with Mr. Martin?

A At this time, no, I do not remember, but I want to make sure it is clear on the record that if the Maule investigation had come up in the context of our conversation, Mr. Martin would have been advised.

Q Would you have told Mr. Martin -- well, that is speculative. Did you tell Mr. Martin about your conversation with Colonel North regarding this investigation?

A No.

Q Regarding the Southern Air Transport investigation, was that discussed with Mr. Martin at this meeting?

A It may have been, because -- if you could refresh my memory with respect to the date you are talking about, Mr. Martin came over to my office, it would be helpful.

Q I believe it is around November 2.

A If it is November 2, then I believe the SAT happened around October 5, if I am not mistaken. So if they were pursuing that, that -- I cannot believe it would not come up in our conversation, okay? And if it did, even if it didn't, I would have indicated we were conducting an investigation, which we were.

Q Do you recall whether or not you told Mr. Martin about your conversations with Colonel North regarding the SAT investigation?

A I don't recall, but in all likelihood, I probably did not say anything about my conversation with Colonel North.

Q When you say you probably did not, on what would you base that statement?

A I don't recall Colonel North's name ever coming up in a conversation, in my conversation with Mr. Martin.

Q Mr. Martin did not bring it up?

A No.

Q You did not bring it up?

A No.

Q Was there any discussion with Mr. Martin regarding the Kelso case?

A I don't recall. I don't believe so. I can't believe that would come up, because I did not perceive that Kelso case as a contra matter. Okay? If you want to get into it, we can get into it, but it will be out of sequence. To me, that's more of an informant situation, okay, vis-a-vis allegations of counterfeit money and narcotics allegations relative to the Drug Enforcement Administration, and the status of Kelso, subsequent to all that and him going to this farm or ranch and going back to the United States, you know, I happened to be in Costa Rica, but I don't see that fitting into the Kerry inquiry.

Q When you received the documents from Colonel North on November 14, is that the first --

A Go over that again. When I received the documents from?

Q Colonel North.

A What date?

Q Fourteenth.

A The 17th I believe I said.

Q Did they indicate that Udall Corporation was involved in the purchase of the aircraft?

A Within the documents I recall seeing the name, Udall, on a piece of documentation. What that documentation was, I do not recall at this late date.

Q Is that the first time that you were aware that Udall was involved in the Maule Aircraft investigation?

A In the Maule Aircraft investigation, yes.

Q In other words, Colonel North did not tell you about Udall?

A No, ma'am.

Q Now, the story regarding the Iranian arms sales broke on or about November 3 or 4, 1986. I believe you told us in your interview on or about November 10, you discussed your concerns regarding Colonel North's activities with the Commissioner, is that correct?

A That is correct.

Q Can you tell us why you discussed it and what you discussed?

A That would bring us back to the telephone conversation that I had on or about October 29 or 30.

Q With whom?

A We are talking about SAT, are we not?

Q No. Let me rephrase my question. When you went to speak to the Commissioner on November 10, were your concerns centered around the SAT investigation or the Maule Aircraft investigation?

A Primarily the SAT. And my conversation that I had with Colonel North on or about the evening of October 29 or 30.

Q Okay. Then let me -- let's stay with Maule, and let's skip ahead.

A I don't want to mislead you, that doesn't mean I didn't mention to the Commissioner about Maule.

Q Sure.

A That wasn't what drove me to meet with him and discuss my conversations and dialogue with Colonel North.

Q I understand. You agreed with the Commissioner, correct me if I am wrong, to meet with Mr. Kimmet and discuss the issues with him, is that correct?

A It is not a question of agreeing, this is what the Commissioner advised me, told me to do. It is not a question of agreeing.

Q Can you tell us who Mr. Kimmet is?

A He is the General Counsel, United States Treasury Department.

Q Now, when was your scheduled meeting to be with Mr. Kimmet?

A The 17th, around 3:00, 3:00, 3:30 in the afternoon.

Q Did you talk to Colonel North the morning of November 17?

A Yes. I already indicated I did.

Q Regarding the Maule case, what, if anything, did he tell you?

A I initiated the phone call in an effort to obtain the documents that I had requested back the end of August, beginning of September on Maule, and I was, quite frankly, surprised during that conversation that Colonel North said he had the documents and that he was waiting to give me the documents. I indicated to him that I had a pretty busy schedule that day, and I would like to send over my Enforcement Assistant to get a copy. He said, well, you could have the original. I told him, no, I did not want the originals of the documents, that I wanted the originals of the documents to be given to the investigative agent by Maule and that I would like to have a copy.

Arrangements were made between Colonel North and myself to have my Enforcement Assistant go over and pick up a sealed envelope which later turned out to be a copy of documents -- I presume a copy of documents, and as I said, I reviewed them, and subsequent, not that same day, maybe that evening or later, and then sent them up to my Strategic Investigations Division with word I wanted the investigation to resume.

Q What, in your opinion, was deficient about the documentation that Colonel North had provided?

A It did not clearly show what I would consider purchase orders, and particularly destination of the aircraft. There were no photographs included in the package, which I believe were vital to determine whether or not a Commerce license was required.

Q Did the documents indicate who all of the purchasers were? That is, there were four aircraft --

A I don't recall.

Q Now, when you discussed this with Colonel North on the morning of November 17, did you tell him that you had talked to the Commissioner?

A No.

Q Did you tell him that you were going to meet with Kimmet?

A No.

Q Any reason why you didn't?

A I didn't think it was very prudent since -- you recall, in our earlier discussion, I indicated to you when I talked to Colonel North on the evening of October 29 or 30, when he was out of the country, that I asked him when he came back that he and I and the Commissioner had to get together. When I called on the 17th, it was obvious to me he had been in town for some time and for some reason had not contacted me or the Commissioner about getting together.

My main concern was that I wanted to see if I could get the documents that he had indicated that he would get to me for the Maule investigation. Therefore, when I called him on the morning of the 17th and I, in my conversation with the Commissioner on the 10th of November, where he directed me to meet with Mr. Kimmet to discuss this whole matter and get some advice from him, it became clear to me that some of my concerns may have been somewhat valid if the Commissioner was asking me to go over and discuss the matter with Mr. Kimmet. I may not have any subsequent conversation with Colonel North from that point on, and I didn't feel I had any obligation letting him know Customs business about this matter and how I was going to resolve my uneasiness and concerns and my lack of getting this documentation I had been promised six or eight weeks ago.

Q Do you know whether or not Colonel North intended to call the Commissioner? Did he express any intent, or did you suggest he do so at the end of that conversation?

A You mean the conversation of the 17th --

Q Of the 17th of November.

A No.

Q I guess I asked two questions. Your answer is no to which question? Did he express any intent to call the Commissioner?

A No, he did not.

Q Did you suggest that?

A No, I did not.

Q Did you suggest he call the Commissioner?

A No. I did suggest -- as I said, just to reiterate, when I talked to him the evening of October 29 or 30, I indicated to him let's get together.

Q You don't recall such a thing on November 17?

A No.

Q Was that the last conversation you had with Colonel North?

A I believe it was. I was just trying to think psat that date. I just don't recall ever having a conversation -- a face-to-face or telephone conversation with him since.

Q By the way, did you tell Colonel North about your visit with Mr. Martin from the Department of Justice?

A Not that I recall.

Q Let's tie that up. After your conversation with Colonel North on the 17th, and you reviewed the documents that had been provided to you from him, what did you do with regard to the Maule investigation from that point on?

A As I said, I forwarded those documents up to the Director of the Strategic Investigations Division, indicating that I did not believe that the documents were responsive or worthwhile and that if he concurred, and that is when he mentioned the case agent from Atlanta happened to be in, I said, if you guys agree they are worthless, go conduct the investigation and resume the investigation, whatever course that they normally would.

Q And that would include the issuance of grand jury subpoenas?

A If they elected to go grand jury, fine.

Q To your knowledge, did the Independent Counsel assume jurisdiction over this case in January of 1987?

A Yes, he did. I don't know if it was January, but they did since we are on the record.

Q That concludes the examination I had on that investigation. I will turn it over to my colleagues.

BY MR. MC GOUGH:

Q Mr. Rosenblatt, I think it would be helpful to take a minute or two to put your background on the record if we could. How long have you been with the Customs Service?

A Since 1964, August of 1964.

Q And what position did you start with Customs?

A I came into the U.S. Customs Service as a Customs investigator, GS-5, in New York, New York.

Q What I want to do is get a quick overview of the various places and positions you have held with Customs since them.

A In 1966, I was promoted to special agent; in 1967, I was reassigned to the Los Angeles Special Agent in Charge Office where I became a group supervisor in Los Angeles, in 1970. In 1972, I went to San Francisco as the Assistant

Special Agent in Charge of Enforcement. We underwent a reorganization in 1973, so I was converted from the Assistant Special Agent in Charge to an Assistant Regional Director for Enforcement.

In 1974, I was reassigned to our Headquarters. In 1976, I was promoted to a Branch Chief in Headquarters. In the latter part of '78-'79, I was selected or appointed as the Division Director for our Currency Investigation Division.

In 1980, I was selected as the Regional Director of Investigations for the Southeast Region, Miami Region it was called at that time. We underwent another reorganization in 1983, and at that time I was -- the Regional Director concept was abandoned, and I became the Special Agent in Charge of our Miami Office.

In November of 1985, I was selected as the Assistant Commissioner for Enforcement, which is my present position.

Q Thank you. You mentioned, in response to a question from Ms. Naughton, that you had seen General Secord's name in the press and at various times during the events we have been talking about in relationship to contra resupply efforts. Is that a fair characterization?

A Well, allegations of that or contentions of that, yes.

Q Did you have any familiarity with the name, Richard Secord, outside what you saw in the press in that context?

A No.

Q Were you familiar with any alleged involvement by General Secord in the Edwin Wilson affair or the EATSCO affair?

A Peripherally. I had heard his name mentioned in that, but in what context, I don't know.

Q I guess what I am trying to establish is if the name, Richard Secord, had been mentioned to you in September, 1986, what, if any, connections you would have made with that name? Would you have recalled his connection with Wilson or EATSCO?

A No.

Q Just with the contra supply articles?

A Yes.

Q Had you also seen articles at or about that time relating to Colonel North's involvement in the contra resupply efforts?

A I don't recall seeing Colonel North's name in the media until November, possibly October, October-November timeframe. I don't remember seeing Colonel North's name in the paper in September, August.

Q Moving to the meeting with Mr. Martin, you said he ran down a list of names.

A Contained in the letter were a quantity of names. I don't recall if it was a listing or contained in paragraph form in series, various names. But there were quite a number of names, I recall.

Q Was Colonel North's name one of those?

A Gee, I don't recall that. Let me put it this way, I would have found that strange. That would have been something I would have remembered.

Q I would like to get a clear picture of the meeting itself, if I could. There was you, Mr. Martin, another attorney from the Justice Department -- and Mr. Lopez, whose exact position is what?

A He is our Branch Chief for Munitions.

Q Now, was there a general question directed to you and Mr. Lopez about contra investigations? In other words, did Mr. Martin or his associate ask for an itemization of active contra investigations?

A To my best recollection, no. I mean, we discussed the letter from Congressman Kerry -- Senator?

Q Senator.

A -- Senator Kerry, it was quite a lengthy letter, to the Attorney General relative to the allegations of the government involvement and various people involved in the contra effort.

I got the impression from Martin and his colleague that the meeting that I was having with him was of a general nature to explain to me what their line of inquiry was.

The details,insofar as responding to their line of inquiry, would have to be handled by those that worked for me. I mean, I do not have -- I don't go to these meetings and have all this information at my fingertip.

Once I understand what the meeting is about and the line a given person has taken, I will make sure they are hooked up with the right manager in Headquarters to provide the information.

Q Let me get this straight. Was it your understanding that the meeting was supposed to determine what active investigations the Customs Service had going on the subject of resupply of the contras?

A No, it wasn't. We do not -- as a matter of policy, we will not give Congress active investigations, and I think the attorneys from the Department of Justice were well aware of that.

Q Was it your understanding the meeting was to answer the inquiries made by Senator Kerry?

A That is correct.

Q Specifically with regard to the Maule investigation and the SAT investigation, I am not sure I understood whether you felt those investigations weren't responsive to Senator Kerry's inquiry or whether you felt it was Mr. Lopez's obligation to bring those up, which -- why didn't they come up at the meeting?

A Because they may not have been contained in Senator Kerry's letter. If they were -- first of all, the way the question was posed to me earlier was as if I did not discuss it with them, and I am not sure that is a correct representation necessarily, if it was in the letter and it pertained to the line of questioning, it would have been discussed there. I mean, I did not keep notes.

I believe Mr. Lopez did and followed it up with, as I said, a memorandum to comply with the inquiries that were being made by Mr. Martin.

Q At any rate, to the best of your recollection, Colonel North's name was not mentioned at that meeting.

A I don't -- no, I don't recall it.

Q Now, you mentioned how you handled congressional inquiries, but this wasn't really a congressional inquiry, was it? This was a Department of Justice attorney --

A That is correct, but it was obvious we were talking about being responsive to a congressional inquiry.

Q Was it explained to you that this was an attempt to determine whether there should be an Independent Counsel appointed or sought by the Department of Justice?

A Yes, that was. That doesn't mean we would not discuss open investigations with these attorneys. The Maule investigation and the SAT investigation were quite active, particularly the SAT.

Q I think you said that by the time you spoke with Colonel North on November 17, and later in the day, and Mr. Kimmet, you had determined that it would not be prudent to continue to talk to Colonel North about those matters, about the SAT and the Maule matters. Is that a fair characterization?

A Yes.

Q And to the best of your recollection, November 17, the morning of November 17, or before the meeting with Kimmet on November 17 was the first time, or the last time that you spoke with Colonel North?

A To my best recollection, yes.

Q Can you state categorically that you never discussed your meeting with Kimmet with Colonel North?

A Absolutely.

Q You categorically state that you never discussed your meeting with Kimmet with Colonel North?

A That is correct.

Q How about your meeting with Mr. Martin, did you ever discuss your meeting with Mr. Martin with Colonel North?

A That was already asked, and to the best of my recollection, no.

MR. MC GOUGH: That is all I have.

MR. GENZMAN: I have none.

(Recess

LYDA fls
DOTSON
10:40 a.m.
md

BY MS. NAUGHTON:

Q Before we get to the next subject, I had a couple of quick, perhaps unrelated questions.

Do you know anything about A-l-m-a-r Industries in Chatsworth, California?

A It is hard for me to answer. It just doesn't come to mind. That doesn't mean some of my people might not have said something about Almar -- shifting through all the information I get in a dav in my position. It may not have been of consequence. I want to be honest. Since I am sworn, I don't know how to answer that question. I just don't recall.

Q Specifically in conversations with Colonel North, do you recall discussing Almar?

A Not to my recollection.

Q You never gave him any information, or he never inquired?

A No.

Q Did Colonel North ever discuss with you any cases regarding drug smuggling into Central America or from Central America into the United States?

A No.

Q Did he ever discuss with you the seizure of a C-123?

A The only conversation I had with Colonel North relative to a C-123 was the SAT, October 25 crash.

Q Did he discuss with you the seizure of any aircraft by Customs, I mean specific aircraft?

A No.

Q If we could move, then, to what I will refer to as the Kelso matter. When did the Kelso matter come to your attention and how did it come to your attention?

A I would say approximately September, sometime in September is the closest I can narrow it down.

Q Of 1986?

A '86, yes.

Q How did it come tc our attention?

A I was advised by my Special Investigations Division. Correction, I am sorry. There was a cable that came in from the Ambassador, Ambassador Tambs of Costa Rica. It was a cable that was very critical of Customs conducting investigations and having informants in Costa Rica without the Embassy knowing about it.

Q Was this cable sent to the Commissioner?

A It was sent to the State Department. I believe the Commissioner was an addressee on it. It was a multiple addressee-type cable.

Q How did this come to your attention?

A In two ways. Reading the cable, and also the Commissioner indicated that he was quite concerned about this, and simultaneously we were getting telephonic reports from our

Assistant Regional Commissioner for Enforcement, Larry La Dodge in New Orleans, relative to the allegations set forth in the cable.

Q When you say Larry La Dodge in New Orleans --

A That is our South Central Region.

Q Had he ever been assigned to Portland?

A Yes. He was the Resident Agent in Charge in Portland, Oregon.

Q Do you know when it was he moved from Portland to New Orleans?

A Not exactly, but I would say in early '86.

Q Now, what did Larry La Dodge tell you concerning the statements by Ambassador Tambs and the concerns expressed by Ambassador Tambs?

A I spoke to Larry La Dodge about this, but my information and what I am about to tell you comes from several different sources. There is no possible way at this late date to discern which came from who, because I had discussions with the Commissioner, discussions with my personnel in the International Enforcement Branch, as well as Larry La Dodge.

Q With whom would the special investigations discussion have been?

A At the time, I think it would have been Peter Ballanon and Ronald Smith, that is to the best of my recollection.

Q Did you take any notes of any of these conversations on the Kelso matter?

A No.

Q Did you write any memoranda or correspondence on them?

A I didn't, but my staff did.

Q Did you review that?

A Yes.

Q What was the purpose of that documentation?

A Well, basically we had to respond to the Ambassador's inquiry via the cable.

Q And was that done? Did you send something back to the Ambassador?

A I think we did. But I also talked to the Ambassador personally about it.

Q How soon was that after you read the cable?

A You mean the incoming cable from him?

Q Yes.

A I want to say probably within three weeks.

Q Why don't we take it step by step, chronologically?

A That is going to be very tough.

Q Okay. After you received the cable and you were also receiving information from Larry La Dodge by telephone, could you tell me within a space of a couple of days what you came to learn about Mr. Kelso?

A Kelso, also known as Williams to us, at that time his name was Williams.

Q Richard Williams?

A Richard Williams, and another individual whose name I cannot recall at the time.

Q Is it Brian Caldwell?

A Yes, it would be. They were working as informants for Larry La Dodge. Apparently, Mr. La Dodge had received communications from one of these two gentlemen by telephone that they had uncovered a counterfeit operation in Costa Rica, and there was other information that the informants wanted to provide.

Q Did they also provide drug information?

A You asked me to do this this way -- other information they wanted to provide, but they did not feel comfortable doing it over the phone. It related to the narcotics and drugs in Costa Rica.

My information was that Larry La Dodge felt responsible for paying some expenses that had been incurred by these informants previous to this time. In conjunction with the information about counterfeiting operations, Larry coordinated with the Secret Service as well as our Customs attache in Panama, who is responsible also for the country of Costa Rica.

Arrangements were made for one of the New Orleans agents to travel through Miami down to Costa Rica to meet up with the informant and the Secret Service, so that we could provide first-hand information to the Secret Service about this alleged counterfeit money operation.

When our agent got to Miami, he called and learned that the Secret Service personnel were leaving Costa Rica. Because of their activities in Costa Rica, they felt that it would be better for the Secret Service agents at that time to leave the country and come back at another time.

Our agent proceeded nevertheless down to Costa Rica to meet with the informants, ostensibly to debrief them and also to pay them the money that Mr. La Dodge felt was owed to them.

Our agent being relatively inexperienced in dealing in foreign countries, did not wait until our attache or one of our Customs representatives met with him in Panama -- not in Panama, one of our reps or the attache from Panama met up with him in Costa Rica. He did not check in with the Embassy. He immediately met with the informant, paid the informant and to some extent debriefed the informant.

This took place over the weekend when our Customs representative from Panama met with our agent from New Orleans in Costa Rica, our Customs representatives immediately realized the error, made contact with the Embassy and met with DEA and briefed DEA personnel on the meeting that our New Orleans agent had with these two informants. Ostensibly, these two informants made allegations of corruption by members of the DEA [redacted]

Our personnel went back to their respective locations and, as I understand it, within a matter of days, the Costa Rica authorities got information, allegedly got information that these two individuals were passing themselves off as Customs agents, and that one of them had a gun.

Costa Rican authorities advised DEA of this, and asked DEA if they would want to go along. It is my understanding that the Costa Rican authorities, along with one or more DEA agents, knocked on the door of Williams, Kelso, and proceeded to question him and advised them that there were comments about them purporting to be Customs agents and having a gun.

From there, the story gets a little hazy, but apparently these two individuals were told to get out of the country and/or taken in for questioning and subsequently released.

Nevertheless, as it relates to Kelso-Williams, made his way to a farm that apparently was owned by John Hull. After leaving the farm, he then finds his way back to the Denver, Colorado area.

Q Is this information you learned shortly after getting the cable and learning about the case, or are we talking about a longer period of time?

A We are talking about the cable, but the business of the farm came from the informant to Larry La Dodge to my people to me, if you can follow all that. Paralleling this at the same time is that I am hearing, while this is going on, I would say about a week or 10 days after the cable, I begin to hear about a letter that is going from the Costa Rican President, allegedly, to the White House praising this informant --

Q Caldwell, as opposed to Kelso?

A Right, but they are intertwined. And also, laudatory remarks or comments about Larry La Dodge, who obviously is supposed to be managing this, his informant.

Q Can you tell me who you heard about the letter from?

A I am hearing this from Larry. There is supposed to be some kind of letter. He doesn't know about it first-hand but he is hearing about some kind of a letter.

I presume Larry heard it from one of the two informants. Now, I am then getting phone calls from Gary Hilberry, who was the Special Agent in charge of the Denver office, and Larry is also talking to some of my people who are also filling me in, about Kelso resuming allegations that he is working for an intelligence agency.

Let's pause here and let me give you some background, if I may? Mr. Kelso was arrested and convicted in Denver for

Customs violations relating to arms to Iran. I believe he was put on probation.

Q Was it Iran or Iraq?

A I was told Iran. It would have been Iraq. Let me rephrase it. I was told to the Middle East. He was on probation and he wanted to work for the Denver office while he was on probation.

Our Special Agent in charge went to the U.S. Attorney, who went to the Judge, and the Judge said no. So, Kelso, which is his real name, apparently fades from the scene and strikes up a relationship with Larry La Dodge when Larry was still the resident agent in charge in Portland.

He presents himself as Williams. Of course, when Larry La Dodge makes inquiries about a Williams, we do not find anything derogatory in our informant files, nor of course do we hook him up with Mr. Kelso from the Denver office.

Q Did Larry LaDodge enter him as an informant, a source?

A I am pretty sure he documented Williams, but not the other gentleman. One of them was unregistered.

Q That is what I am getting at. Was one a subordinate of the other?

A Yes, exactly.

Q Do you know which was which?

A I am not positive, but I think Kelso/Williams was the

~~TOP SECRET~~ UNCLASSIFIED

documented source and the other one was the undocumented source.

Q Do you know whether or not La Dodge put Williams' name through the indexes?

A I don't know that personally. I presume he did, but that is an assumption.

Q What you just told me about how his name would not check out with Kelso is an assumption on your part?

A Yes, but I think it is a valid assumption. If we document Kelso under his true name and if he comes in with an alias as Williams, it is not going to bang up against a card in there on Kelso.

Q Did you ever see any documentation regarding Kelso as a source?

A It is not something I would personally see.

Q So, you never saw any payments to Kelso reflected in Customs documents?

MS. ANDERSON: Can we clarify that as Kelso as a source under the name Kelso?

BY MS. NAUGHTON:

Q Either name.

A No. There are different levels of approval and the kinds of money approved for Williams would not come close to my level of approval.

Q They were small amounts?

A They have to come to my office over $10,000. So we

UNCLASSIFIED

are talking about sums under $10,000.

Q Do you know what sums the New Orleans agent took with him to Central America?

A I think between $1,000 and $1,500.

Q Do you know how it was broken down between Kelso and Caldwell?

A No.

Q I guess I stopped you at that point where Williams becomes an informant for La Dodge.

A Right.

Q This is in 1984 time period?

A I am not sure. It could have been '84 or '85. I am not sure.

Q All right.

A It is evidence now that--well, let me backtrack. During Kelso's trial in Denver, he claimed that he was working for an intelligence agency. That could not be substantiated by our office in checking with the intelligence community. Now, I am jumping back to where Kelso is back in Denver after the Costa Rican incident.

Q If we could put sometimes on this, the Costa Rican incident is maybe July or August of 1986.

A Well, no.

Q Do you know how long he was in Central America?

A I don't know. But in talking to Larry, I got the impression that Kelso/Williams had been in that area for some time. It wasn't just that he was down there visiting for a week.

Q That is what I am trying to pin down.

A But this incident did not come to my attention until sometime in September.

Q I understand. Now, he is back in Denver in the fall of 1986.

A Right.

Q Can you tell me what you know about that?

A This is coming to my people through Gary Hilberry, Special Agent in Charge in Denver, that Kelso/Williams is being represented by a former U.S. Attorney by the name of Snow, and that Snow is beginning to believe Williams' contention of working for an intelligence agency.

Apparently, Snow gave Williams advice to begin making tape recordings of all his conversations with government officials, including a tape, I understand, between him and Larry La Dodge, along with other tapes allegedly made between Kelso/Williams and his so-called intelligence contact.

Gary Hilberry's concern was that in again doing checks through the intelligence community, either using the name of Kelso or Williams, nobody is corroborating the contentions made by Kelso/Williams. However, Gary is very concerned after listening to these tapes that he acquired access through an Assistant U.S. Attorney by the name of Black. Apparently, Snow gave four or five tapes to Black to review.

Mr. Hilberry reviewed those tapes and wanted to prevent any embarrassment to the United States Goverment if, in fact, Kelso/Williams was working for the intelligence community. It was at that time I decided to explore the potential, since we were getting negatives, to just ensure we had covered all bases, I felt I would get ahold of Colonel North to see if he could find out anything, because maybe I was getting -- maybe people were getting stonewalled by somebody in the intelligence community.

Q The tapes that Mr. Hilberry told you about, did he tell you their contents?

A No. He just said that based on the contents that he was very concerned, that one could almost make a case from these conversations, that there was some connection between Kelso and some member of the intelligence community.

I have known Gary Hilberry a very long time. He is now our Special Agent in Charge of New York. He is not an alarmist. Therefore, I paid attention to what Gary said and figured we would explore the only other area that we had, which was through the National Security Council.

Therefore, I called Colonel North. This is when I came into contact with Rob Owen.

Q Do you recall approximately when you called Colonel

North?

A To the best of my recollection, it is probably sometime in September. It was a matter, or no more than two weeks after this thing began to bubble up, the report of the incident and finding out from Gary Hilberry. Let's say two to three weeks is the best estimate I can give you, again to my recollection, sometime in September.

Q Why Colonel North as opposed to someone else?

A Because I didn't know anybody else at the NSC.

Q Was it your understanding that Mr. Hilberry had already gone through the normal channels and liaison people that you had established with the CIA and other intelligence agencies for this purpose?

A Gary went through our headquarters channel. The way we pulse, if you will, the intelligence community would be through our headquarters. If the field would do it, they would only get local feedback.

My objective was to save any potential embarrassment to the government. By that, I mean, if in fact he was and there were agencies denying it, then I wanted to make sure I and the Commissioner and the Treasury Department were aware if I got a kickback from the NSC that, yes, in fact, he was associated with a given agency.

Up to this time, we were being told no, and I wanted to be sure I knew about it, and the Commissioner and Treasury knew. To make a long story short, Colonel North, Rob Owen both assured me that they did not know Williams and nobody else knew Williams.

Q Let's not make a long story short. Let's go through it, if we can. You called Colonel North, and I presume told him something about the Kelso matter.

A That is right.

Q Did you use Kelso or Williams?

A I think I used the name Williams.

Q When you told Colonel North about it, did he express familiarity with the subject?

A Yes. I gave the name Williams, and he said Kelso. We were having a fine time on the telephone keeping the names straight. He knew it from other source, which he did not identify on the telephone. He was aware of this. I went through the whole story with him from beginning to end. The Costa Rica business. It became obvious to me from our conversation that he was aware of it.

Because he was aware of it, I then went into the business about the letter, the so-called letter. You see, I was trying to kill two birds with one stone; one, to find out about the letter and the authenticity of the letter; and, two, find out if NSC knew anything about this connection between Kelso/Williams and the intelligence agency, as Kelso claimed.

Colonel North indicated he was extremely busy, but he was going to have Rob Owen call me.

Q When you mentioned the letter, was Colonel North familiar with the letter or was that news to him?

A It was not news to him. As I recollect, it was not news to him. He said, "I don't think that letter is authentic." It was clear to me that he wanted me to deal with Rob Owen on this matter.

Q How did he bring the name of Rob Owen up to you?

A He just told me he would like me to disucss the whole matter with Rob Owen.

Q Who did he say Rob Owen was?

A Institute of Terrorism, on Subnational Conflict.

Q Is that what Colonel North told you, or did someone else tell you that?

A That is what Mr. Owen told me.

Q I am interested right now about Colonel North.

A He told me to talk to Rob Owen, and I assume Owen was associated with his office. Until such time as I met with Rob Owen and he told me he was with the Institute on Subnational Conflict working with Colonel North.

MR. McGOUGH: Does your book reflect whether he gave you a telephone number or an address?

THE WITNESS: No, I don't have that here. It falls right under Ollie North's office number, and then underneath, Rob Owen, Institute of Terrorism, on Subnational Conflict. The

Owen called me.

BY MS. NAUGHTON:

Q Owen called you, you did not call him?

A Not at that time, no. Subsequently, my office got a number. It is probably in our office Rolex, I don't know.

Q When you had the initial conversation with North about Kelso/Williams, did you tell him he was an informant for Customs?

A Yes, I told him he was a source.

Q Did you also discuss Mr. Caldwell with Colonel North?

A No. Only as it related to the letter now. That was not my pursuit.

Q The purpose of the call was not to tell him he was an informant?

A No. You are missing my point. You recall the so-called letter to the White House. That was one purpose, but my main purpose was to find out whether Kelso/Williams was working with the intelligence community because of the tapes Gary Hilberry had and the potential for embarrassment.

Q Did you tell Colonel North about the tapes?

A No. I don't believe I did. I retract that. I did tell him that Kelso/Williams had made some tapes and was threatening to go to the media about his connection with the intelligence community. But it was in passing. My conversation with Colonel North about this area was very short. I could tell that he was busy, that he wanted me to deal with Owen, that Owen could help me in this matter.

Q How soon after your conversation with Colonel North did Owen contact you?

A I think either that day or the next day. He said, "Come on over and meet with me." It was at that time I went through the whole story with him again. He began to smile during my relating of the story, and then later on in the conversation, when we got to the business of the letter, he told me that -- up to this time, I had not seen a copy of the letter -- told me that it was a phony. He provided me with a copy of the letter.

It turns out to have been signed by allegedly some Captain in Costa Rica, going to the White House. I believe you have a copy of that letter.

Q Did you get a copy from Owen of the letter?

A Yes.

Q Did Owen say where he got it?

A No.

Q Did you ask him?

A No. It was also at this time that Owen provided me with a copy of a letter, that I got the impression was written by John Hull. Initially I believed it was to Owen. Later, I changed my supposition that it was probably written to Colonel North.

Contained within the letter was a discussion about Kelso/Williams coming to Hull's farm.

Q What did the letter say about that?

A I would rather let the letter speak for itself.

Q We don't have a copy of that letter.

THE WITNESS: Can we go off the record?

(Discussion off the record.)

MS. NAUGHTON: On the record.

BY MS. NAUGHTON:

Q After reviewing the letter, the handwritten letter that you believe John Hull had written, and reviewing it in Mr. Owen's presence, did you and Mr. Owen discuss the contents of the letter at all?

A To the extent that we were both sure that the individual referred to in Hull's letter was the same individual that I was making inquiry with Mr. Owen, that it was Kelso/Williams. I asked him, how do you think Kelso got from Hull's farm over into Denver? He didn't know.

The reason I asked that question, when you read the letter, it indicates that some officials came on the farm in the middle of the night or in the early morning hours, and took Kelso away.

Q When you say officials, is that officials of the Costa Rican Government or the American Government?

A Of the Costa Rican Government. That is why I pose the question to him, gee, how did he get to Denver if they had taken him away? He didn't seem to know any more than I did.

We got back on the main point of me making the inquiry about Kelso/Williams, and whether he was with the intelligence agency. I had never heard of John Hull. The only portion of the letter I was interested in was as it dealt with Kelso.

Q Was the first you heard of John Hull in connection with this matter?

A With any matter. I never heard of John Hull prior to that.

Q Did Rob Owen tell you who Hull was?

A No. He indicated he was a friend of Colonel North.

Q That Hull was?

A Yes.

Q Did Owen make any representations that Hull was paid by NSC?

A No.

Q Did Owen say what his relationship to Hull was?

A No.

Q When did Owen tell you for whom he worked, this Institute on Terrorism?

A Owen didn't necessarily tell me that the Institute worked for -- you see, I called up Colonel North. Colonel North asked me to deal with Rob Owen. Based on that, I drew the inference, maybe incorrectly, that he was a part of Colonel North's or the NSC staff. When Owen introduced himself and gave me the title, I thought it was a segment of the NSC.

Q This Institute?

A Yes, this Institute was a portion of the NSC.

Q Did he give you a phone number when he gave you that?

A Yes, but it is in our office.

Q Did you ever call it?

A Yes. Like a number of places in Washington, they answer it with the telephone number, at least they did when I called.

Q So, they didn't say Institute of blah-blah-blah.

A No. They said the number, whatever that was.

Q Did you tell Owen during that visit about the tapes?

A I am not sure I told Owen about the tape in that initial meeting.

Q Did you meet with him on any other occasion?

A Not meet with him, but I did talk with him on other occasions. I believe when I talked to him by phone, that we had these tapes. You see, there were four or five tapes, and then the number grew to around six or seven. After we had exhausted all possibilities that we could do, and I was not getting any positive reaction from Owen that they were coming up with anything more than what we had, I discussed with Gary about sending some tapes down or bringing the tapes down, so he and I -- Gary could sit down with Owen and play the tapes and see if he recognized any voices.

I am coming from the standpoint that I believe Owen is part of the NSC.

Q Did Owen tell you he spent time in South America?

A No, it never came up. I got the impression he had been there, because of some of the things he indicated about Costa Rica, but when you say worked in Costa Rica as opposed to a visit or vacation, that never came up.

Q How was it then that Owen would be able to recognize voices?

A Not just Owen. When I gave it to Colonel North or Owen, within the NSC if they played the tapes, they might have recognized voices that might have been familiar to them. Just because I was giving it to one individual, we were looking to use the NSC as a vehicle to determine whether or not the allegations made by Kelso/Williams were accurate.

Q As far as the tapes themselves, what was your understanding regarding whether or not you could use them or whether or not any agreements had been made to keep them confidential?

A I don't understand your question.

Q Okay, let's start from the beginning. The tapes, I take it, were made by Mr. Kelso?

A Yes.

Q And he at some point gave them to Mr. Snow, his attorney?

A That is right.

Q Mr. Snow gives them to Mr. Black, the Assistant U.S. Attorney assigned to the case?

A Right.

Q And Black gives them to Mr. Hilberry, the Special Agent in Charge of Customs?

A Right.

Q Do you know if there was any agreement between them to keep the tapes confidential?

A No, I am not aware of any such agreement. You would have to ask Mr. Hilberry.

Q Mr. Hilberry told you of none?

A Yes. As far as I am concerned, even if there was an agreement, if the purpose of giving us the tape from U.S. Assistant Attorney Black, who got them from Snow, they are looking to verify Kelso's story.

So, it does no good to help us determine if we cannot discuss it with people within the government.

Q Did you discuss with Owen anything else in that meeting that you had with him in your office, other than what you have just related?

A No, the President's letter, the Kelso thing was the only thing we were talking about.

Q And you are not sure if you discussed the tapes in the face-to-face meeting or the subsequent phone calls?

A I am not sure, but again, that is my recollection, we did not discuss the tapes. I wanted to see if they could do it based on the information we had on Kelso: Name, date, birth, that kind of business. No, I was not mentioning anything about tapes to him, because it had not heightened until about a week or two afterwards. I got a call from Gary that he was very concerned about the tapes at that time.

Then when I dealt with Owen over the phone, what had he found out, nothing yet, I would like to get together with you, with Owen along with Gary. Our schedules just conflicted. At one juncture, the latter part of September or probably October some time, I was out of town and I believe Owen went out to Denver -- I am sorry, I take that back, he called Gary in Denver, he didn't go out to Denver. I gave Gary authorization to go ahead and talk to him, but limit his discussion on the Kelso matter, on any other matter vis-a-vis the intelligence community.

Q I am sorry to interrupt you, but as long as we are on the subject, are you sure that this authorization was given to Hilberry sometime in September, or would it be in October?

A I think it was in September. It could have been

October. It was after my phone call, it was a follow-up.

Q Did Hilberry ever tell you he had even spoken to Owen prior to your authorization?

A No, not that I recall. I would have been disturbed. If Owen called out there to talk to Gary to try to get to the bottom of it, I am not that kind of manager. If I know two people are trying to get it straightened, it would not bother me, because I would expect Gary would fill me in on any conversations he had.

But if Owen called up out of the blue without me saying something to Gary, Gary would talk to him but very guarded and probably would have said, "I need to talk to Mr. Rosenblatt, I will get back to you."

Q Prior to your meeting with Rob Owen, did Hilberry ever tell you he had spoken to Rob Owen?

A No. He did not know Rob Owen.

Q Then we go to this period in which you are telling Hilberry now,probably sometime in October, that he could go ahead and discuss the Kelso matter with Mr. Owen; is that right?

A Yes, to try to ascertain whether or not he was with an intelligence agency.

Q What happened as a result of that?

A As far as I know, they had one or two phone conversations. After I discussed with Owen about the tapes, he became interested in having a meeting. It just did not work out in our schedules. By this time, I had asked Gary to send a copy of the tapes down to me. I never even got around to listening to the tapes.

Q Do you know if they were in Spanish or English?

A I know that Gary Hilberry doesn't speak Spanish, so based on that, they would probably be in English.

Q Did he say that he had personally listened to the tapes?

A Yes, Gary had listened to the tapes. I then asked in a telephone conversation I had with Owen, whether or not he thought he could recognize any of the voices that purportedly were of intelligence types that were talking to Kelso/Williams, and he said possibly. This is where I authorized my office that if Owen personally came to the offic and presented some kind of identification, that he was Owen, they could give him the tapes, which was subsequently done.

Q Were you at your office when Owen came by to get the tapes?

A No.

Q Were you told by anyone in your office that he had indeed picked up the tapes?

A Yes.

Q Do you know how soon it was after he got the tapes?

end LYDA
DOTSON fls

DOTSON/md

fls LYDA

11:30 am

A A couple of weeks. They were in my office for a week or so before I even let Owen know we had tapes.

Q Did you have a subsequent conversation with Owen regarding what he had discerned from listening to the tapes?

A No.

Q So, he never got back and said anything about them?

A I assume that by not hearing from Owen or Colonel North that they were not coming up with anything positive. I do recall in possibly my second conversation with Owen, when we were talking about him picking up the tapes, that as far as they could determine up to that point in time, that Kelso/ Williams did not work with any intelligence agency.

So that was just a reaffirmation of what we already found out. Which in some respects, we had failed. We had done as best we could, and the last-ditch effort of Owen and NSC people listening to this tape to see if they could discern some familiar voice, we had covered all our bases and if there was a release by Kelso or his attorney, Snow, we did the best we could.

Q After your initial conversation with Colonel North, in which he told you to deal with Rob Owen, did you discuss the Kelso matter with him again?

A Not any more after that. I don't recall it ever coming up again.

Q So, he never, in essence, called you back to say he checked with the CIA or anybody else?

A No.

Q To your knowledge, did Kelso have a passport in the name of Williams?

A I don't know.

Q Were you told anything else about his travels other than his trip to Costa Rica?

A No.

Q Did La Dodge indicate to you whether or not Kelso had been a productive informant; that is, whether or not they had made investigations based on what he said?

A Productive from the standpoint of they had provided information which he had in various enforcement actions. Whether the information resulted directly in arrest procedures, I do not recall it.

Q When Kelso went to Costa Rica, did he go with La Dodge's permission?

A As far as I know, no. You would have to ask La Dodge, but my understanding is La Dodge was just as surprised when they showed up in Costa Rica, and then suddenly he is -- like I said, they paid him, the two of them, between $1,000 and $1,500, primarily because of the phone call. It is something that in this whole matter about trying to deal or trying to handle, control or management informants who claim to be intelligence types could lead to a lot of problems, and right now we have, as a result of all of this, we have a prohibition of dealing with or even conducting any investigations with informants who claim or profess to be with the intelligence agency, and we find out, well, we couldn't find out whether they are or not.

We are not going to deal with folks like that, because it gives them a chance to go wherever they want and have control.

Q Now, did La Dodge --

A La Dodge told me that he never authorized that Kelso or the other sub-informant ever go down to Costa Rica.

Q Was it La Dodge or was it the attache who told the DEA agents [redacted] about Kelso's activities once everything hit the fan?

A Both the Customs representative from our Panama office, as well as the Customs agent from La Dodge's office sat down with the DEA personnel [redacted] and related, summarized, however you want to -- discussed what the informant had said, to include the allegations of corruption by DEA officials [redacted].

Q Did they do that on your instructions, or was that their own idea to tell DEA about the allegations of corruption in their midst?

A That was their idea. They didn't do that on my instructions. I didn't even know about this until after they had come back; so, there was -- let me put it this way: My office knew that this agent was going down and we had the Customs rep from our attache's office in Panama going over there.

Q Was one of these DEA agents' name [redacted]

A I don't know.

Q Do you know their names?

A No, I do not.

Q You referred to a conversation you had with Ambassador Tambs, you said it occurred maybe three weeks after the cable had arrived. Did you call him or did he call you?

A Neither.

Q How did this communication --

A He was in the United States for a visit, I guess, with the State Department, and he was doing a courtesy visit to the Commissioner, and since the Commissioner wasn't in, I was, so we met.

Q And did you discuss the Kelso matter at all?

A Primarily from the standpoint I apologized profusely that it happened, and I assured him that these informants had not gone down there with our approval, and if they had, we would have definitely let the Embassy or the Ambassador know about it, and all I was doing there for about 15 minutes was apologizing profusely, assuring them it wouldn't happen again.

Q When you made the representation they hadn't gone with Customs' approval, was that based on the assurance you had received from Larry La Dodge?

A Yes.

Q From anyone else?

A Who else would there be other than the Comptroller?

Q What was Ambassador Tambs' concern about that? What did he tell you?

A It is not like his concern, it would be any Ambassador's concern, having U.S. citizens or, particularly U.S. citizens, but informants of an agency in a country without the Ambassador or his designees knowing about it, particularly, you know, "in dealing with a narcotics matter in a foreign country."

You asked the question before relative to whose idea was it to tell DEA about the allegations of corruption by DEA persons, some of the DEA personnel [redacted] we don't have investigative authority overseas relative to narcotics investigations.

It is part of the agreements that we have that we fill in DEA about narcotics information. One may believe it is not prudent to tell the very same office that the allegations were on about and relate those allegations to them, but at the time when you relate this information, you go to the office supervisor there, the information as far as I recall was not about the office supervisor himself, it was about someone working for him.

Q Did you discuss those allegations with Ambassador Tambs?

A No.

Q Did he express he was aware of them?

A No.

Q Did Tambs mention the name John Hull?

A Not that I recall. I just don't remember it coming up.

Q Other than expressing a general concern as an Ambassador about this --

A More or less a courtesy visit.

Q Did he give you any specific information as to what was going on down there?

A No, not at all.

Q Did the name Tomas Castillo ever come up? Tomas Castillo, that is an alias, was [redacted] CIA.

A I don't recall. That is not a name I remember. Someone could have bounced that name, I could have read it -- it is not sticking with me. It doesn't mean anything to me.

Q And aside from his name, were you ever told or did you ever get any indication that [redacted] had been involved in the Kelso matter?

A No.

Q Are you familiar, in connection with this, with the name Warren Treece?

A No.

Q I want to ask you a question regarding the letter from the aide to President Arias, whether or not the letter is genuine is not relative to our inquiry, but did you know anything about the supposed assassination plot that had been foiled by Mr. Caldwell?

A No.

Q When the Customs agent, who I gather from New Orleans went down to Costa Rica to debrief Caldwell, is it my understanding they had already been debriefed by the Secret Service agents?

A No. That was the whole purpose, to hook them up.

Q And then the Secret Service agents decided not to go to Costa Rica?

A Well, you see, they were in Costa Rica, my understanding is they had an operation down there that was somewhat successful, and there was -- what we call in the profession some heat, and they thought it was, at least this is what was told to me, they thought it would be prudent to leave Costa Rica for a while.

Q So that the connection between Secret Service and Kelso --

A Never took place.

Q Why did the DEA agent then go to Costa Rica as opposed to just sending a money transfer?

A Why did the DEA --

Q I am sorry, the Customs agent go to Costa Rica?

A Because we have to get signatures for monies we give to informants, plus you don't conduct briefings over the phone, other information such as the DEA allegations, allegations against DEA. You do that personally.

Q But was there any discussion of perhaps just giving them money to get them into the United States and debrief them?

A No. It would be much more expensive for both of them.

Q Did the agent who paid them, who went down to Costa Rica -- what was that person's name?

A I don't have it with me. I am not trying -- I just don't remember the name.

Q He was a Special Agent.

A Yes.

Q Works for the New Orleans office?

A Yes. I believe we are reassigning him up to Headquarters.

Q Did he ever check in with the Embassy after his meeting?

A Oh, yes. This is when the Customs representative arrived, and they then checked in with the Embassy and discussed the matter with the DEA personnel there.

Q Did you ever speak to anyone at either the State Department, the Defense Department, DEA or the CIA about the Kelso matter?

A Did I?

Q Yes.

A Personally, no.

Q Do you know whether or not, and this is subsequent, do you know Kelso/Williams indeed was an asset or source to any U.S. intelligence agency?

A No, as far as I know, he is not.

Q Do you know whether or not he is an asset or source for any U.S. law enforcement agency other than Customs?

A No, I do not.

Q Aside from the cable from Abrams in your visit with Tambs, was there any other communications between Customs and the State Department regarding the Kelso matter that you are aware of?

A That I am aware of?

Q Yes.

A Well, I am not personally involved or aware of -- it is obvious my people had discussions with the State Department as a result of the Tambs cable. But, other than that --

Q Kelso, the record reflects Kelso surrendered in January 1987 in Denver to authorities. Were you part of those negotiations?

A No.

Q Were you aware of them at the time?

A I was aware there were negotiations going on.

Q What were you told about them?

A That there were negotiations going on. I mean, he was, he had returned -- my understanding is that the -- there was a warrant, there had been a warrant issued for violation of his probation, and that when he came back, there was a question of whether or not he was working for an agency or not.

And until that matter could be cleared up, the U.S. Attorney had pulled that warrant -- okay -- to make sure, and I gather he reissued it -- okay -- after he has assured himself there was no connection, and apparently in January of '87, he turned himself in in conjunction with the violation of probation.

Q From whom did you get this information?

A From my people upstairs who had probably talked to Denver.

Q Were you informed that Kelso was concerned about his safety?

A No.

Q Did you discuss the assassination plot against President Arias with La Dodge?

md 11

A No.

Q Do you know what his involvement was?

A No. La Dodge just laughed at the whole letter.

Q Okay. Because he had nothing to do with it?

A He didn't know anything about it.

Q Did you know anything about the plot or letter?

A Either way. Was there such a plot?

Q Aside from allowing Owen to check out the tapes, did anybody else in the Customs office in Washington listen to the tapes or review them?

A I don't think so.

Q I am going to ask you about a couple names in connection with this and tell me whether or not they ring a bell.

William Chandler in Colorado?

A No.

Q Mel Cutler, Costa Rica?

A No.

Q Tom Welsh in Panama?

A No.

Q Scott McDaniels?

A No.

Q Tony Whitfield?

A No.

Q How about Mr. W-a-f-f-a?

A No.

Q Alexander Zuniga McNulte?

A No.

Q Al Miller, who was in the State of Washington?

A Now -- was it Miller or Martin? One of the names Gary Hilberry mentioned to me Kelso claimed to be talking to in Washington was a Martin or a Miller. That is the extent I recognize either one of those names.

Q Was this person supposedly a CIA --

A An intelligence contact.

Q Did you ever check that out --

A We didn't have any information to check it out, because Kelso wouldn't give us the telephone number other than the location up in Washington. That came through the attorney up in Washington. But they were not providing us with any numbers.

Q Did you discuss that with either North or Owen?

A I discussed that with Owen.

Q And what did he tell you?

A He had never heard the name.

MS. NAUGHTON: Thank you. I think that is all the questions I have on that area.

MR. McGOUGH: I have none.

MR. GENZMAN: I have none.

(Discussion off the record.)

MS. NAUGHTON: Back on the record.

BY MS. NAUGHTON:

Q Now, let's go through the Southern Air Transport investigation, in other words known as SAT. On October 5, 1986, a C-123 carrying Eugene Hasenfus crashed, and from there began an investigation of that plane, I believe by U.S. Customs.

Can you tell us what office opened that up and for what reason?

A Our Special Agent in Charge of the Miami Office opened up an investigation as a result of a request from my office, who got requested, received a request from the State Department.

Q Do you know who in the State Department?

A No, I do not.

Q Do you know what office?

A The Office of Munitions Control.

Q What was going to be the predicate of the investigation?

A Two areas; the first relative to any arms or munitions that would require a license upon export from the United States to another country; and, secondly, with respect to the aircraft itself and two aspects thereof, one dealing with whether or not the aircraft was a military configuration, hard points again; and, number two, whether or not it needed, even if it was not a military configuration, whether or not it required a sojourn permit.

Q Could you explain what you mean by a sojourn permit?

A A permit that would be issued by the Department, by the State Department to allow the aircraft to depart the United States and be utilized in transporting items from other countries, from one country to another country, since it was a U.S.-registered aircraft.

Q If such a permit is not granted, what is the penalty?

A It is a felony.

Q So, there are criminal sanctions?

A I think it is 10 years, and there is a fine, I am not sure of the amount of fine.

Q Now, as to the export of arms, is that something that would fall under Customs' jurisdiction?

A Yes. The Arms Export Control Act.

Q Now, were you aware of a parallel FBI investigation into alleged Neutrality Act violations concerning the aircraft?

A Was I aware at what point in time?

Q I assume at some point you were aware of it, as we all are. When did you first become aware of it?

Q When -- subsequent to my initial conversation with Colonel North relative to the investigation, I called and spoke to Mr. Leon G-u-i-n-n, Assistant Regional Commissioner for
Enforcement
Informants, Miami.

Q And he told you there was a parallel FBI --

A That the FBI was conducting an investigation as well.

Q I take it that once your office basically authorized the investigation, the Miami office took steps to carry that out.

A That is correct.

Q Can you tell us what they did after receiving that initiative from your office?

A Not in detail. In general I can, if that is what you want.

Q Yes.

A They began to determine the ownership of the C-123, and they ascertained through FAA records and possibly other records that this aircraft was purchased by Southern Air Transport from a firm, which I will call an aircraft brokerage firm, if you will, that the aircraft had an interesting history to it; it was an aircraft that had been utilized by the Drug Enforcement Administration with a cooperating individual by the name of Barry Seals that was flying these aircraft at one time, and that the aircraft was sold to Southern Air and that payment of approximately $465 or $485,000 was made against an account in Southeast Bank, and according to Mr. Guinn, they had obtained a cancelled check from Sun Bank in Orlando.

And on the reverse side of the check, on the back of the check, it had Southern Air Transport, and Udall, U-d-a-l-l, on it.

Q On the back of the check, are you referring to an endorsement?

A Yes.

Q Now, do you recall how soon after the crash and the investigation was initiated that you received this information from the Miami office?

A I would say it was either on October 9 or 10.

Q Was that before you talked to Colonel North?

A Subsequent.

Q After you talked to Colonel North?

A Yes.

Q So, you learned about Udall after you talked to North?

A Yes.

Q Let's put the North call into context. Did you call him or did he call you?

A He called me.

Q And what did he have to say? Excuse me, what is the date?

A Again, October 9 or 10.

Q What did he say?

A He sounded very anxious. He was very concerned about our investigation of this particular aircraft, that he was assuring me that these were again all good guys, and he categorically stated that we were barking up the wrong tree, that this airplane did not have any weapons, any arms whatsoever when it left the United States. That was the gist of his conversation, I mean with respect to that, that aspect.

He also indicated to me that he had learned that we had served a subpoena asking for all the records for Southern Air Transport, and that this was a very sensitive area, and he just wanted to know generally what we were doing, and I told him, I said, "Look," I called him Ollie at that time, I said, "I discussed with you," and this is where the Maule investigation came up, I said, "The best way for us to get to the bottom of this is to get the information as quickly as possible."

I informed him that this was a State Department request to conduct the investigation, and what for. When I got into the area of the airplane, the hard points and the sojourn permit, I got the impression that he was taken aback by this area of concern on our part.

I think he was just focusing on our jurisdiction being limited to arms export. He assured me in that initial conversation that the aircraft was perfectly legal, again, I reiterated to him that we were going to have to conduct the investigation, that I thought personally speaking, issuing a subpoena for all the records of SAT at this time was a little bit much, but I said each agent has his own way of conducting an investigation.

I indicated to him that my main focus was on determining whether or not the C-123 was, and the people on the aircraft were involved in any violations that I had enumerated during that conversation with him.

And as far as I was concerned, our focus was going to be on the C-1 F-23, whether there were any arms or ammunition being exported without a license, and relative to the plane, hard points or needing a sojourn permit.

He, like you, asked me what that was all about, and I explained to him. He just said there was -- there was no reaction one way or the other, he just kind of absorbed it. And I indicated to him that the thing I was going to be talking to Leon Guinn about was to focus on the investigation of the C-123. That was the substance of our discussion.

Subsequently, I called on Guinn, that is when I was informed what Leon Guinn's, the special agents were doing. I learned the previous day a subpoena had been issued, it is obvious that is what precipitated the call.

Q Can we stop for a moment and describe the subpoena? Was it administrative?

A It was an administrative subpoena. Under -- Customs has the authority or the Special Agent in Charge to issue an administrative subpoena under the Arms Export Control Act.

Q And that does not require Grand Jury action?

A No.

Q That is within Customs itself.

A Yes.

Q What did Mr. Guinn tell you the subpoena covered?

A He told me it covered the world. I said, look, we were requested to conduct an investigation on the C-123. I think because of the publicity on this particular case, and the importance of it, that we ought to focus on the C-123, and let's determine if there are violations involving the C-123 and whether any of the SAT officials were part of any violational activity.

I said, once we determine that, we can always expand our investigation beyond that. But to me, it would have been better off we focus on it. He had no problem with it. He and I have known each other a long time, and he says, that is great, that sounds acceptable to me.

Again, I never mentioned to Mr. Guinn that I had any conversation with Colonel North. I didn't think it was necessary for him to know that. But then, again, Guinn is no dummy. I don't think he ever for one moment thought that I had been talking to Colonel North or anybody in the NSC. That is part of my job, is to take a look at these high priority sensitive-type cases, and I just asked him to focus on this so we could rapidly make a determination.

And the reason I did this, I think that if our agents continued to go the course that they were and try to get this monumental quantity of documents, we would be sifted through all kinds of documents not necessarily focusing on what the State Department initially asked us to do, to find out if there was a violational activity.

And I thought it would make our case a lot easier if we found violational activity as it related to the C-123, that it would make it a lot easier for us to sustain any further investigative pursuit we wanted to do with respect to the total company.

Q And you talked to Guinn then. Did you resolve that a new subpoena would be issued or procedurally --

A I left that up to him. We didn't get into a new subpoena, old subpoena, but it is obvious if you are going from a very broad, sweeping inquiry through a subpoena, and if you wanted to narrow it down, you would have to issue another subpoena.

As it turned out, and as I understand, I don't know this to be a fact, because it was related to me, the case agent got the flu or was down a couple weeks, and a second subpoena was issued for records, very narrowly, specific to the C-123.

I came to learn subsequent that that was issued on the 29th, October 29, that second subpoena.

Q After your first call from North and your subsequent conversation with Guinn, did you get back to North and tell him that the focus had been narrowed?

A No, no. He called me a second time.

Q When was that?

A Oh, maybe several days later. I believe he called me a couple days later. Because at some point, I did inform him that we are continuing the investigation, and we are focusing on it, focusing on the C-123. And he again reiterated, he assured me he had double-checked and there were no arms on that plane.

Now, by this time, I had been assured 99 percent by Guinn that their investigation up to that point led them to believe that there were no arms that went on that aircraft, at least from the United States.

So, of course, I deduced since there were weapons allegedly found on the plane when it crashed, obviously weapons were put on subsequent to its departure from the United States.

And Mr. Guinn informed me that they were concentrating on the aircraft itself, particularly with respect to the sojourn permit.

Q What was North's reaction when you told him that?

A Somewhat noncommittal. I mean, I made it quite clear to him that we were pursuing the investigation. At no time, I want to make this perfectly clear, at no time in connection with this case or with the Maule case, did North ever ask me or -- nor did I take anything that he said to suggest that he wanted the case, you know, stopped, squashed, whatever you want to call it.

He was just expressing concern that -- I got the impression he wanted to set us straight we were wasting our time and barking up the wrong tree. But as I informed him on the Maule case, I informed him as well on this one that we were going to pursue it in what I called a very focused manner, and if we came up with violations, so be it.

Q Did you discuss anything else during that conversation?

A Other than what I talked to you about?

Q What is the next thing that developed in the case?

A The next thing that I heard was, I had been trying to piece this together ever since the thing broke, and this goes back to October 29 or 30, because I am not sure which day it is, either a telephone message was left on my desk on the 29th or 30th, or I got a call at my home to call a Bob Earl, is it? Bob Earl. Of course, it had the number and of course, that is the security number to the White House Situation Room into NSC.

Anyways, I called -- you know, at home I called, and I was informed that Earl wasn't there, but a Craig Coy was there, and I talked to Craig Coy that evening, and I want to say that was around 9-ish, there around.

Q What date are we on?

A Either the 29th or 30th of October. I want to say the 30th, but, you know, because we are on the record, either the 29th or 30th. And in my conversation with Coy, he indicated that he had talked to Colonel North and that they were very concerned about my people being all over SAT, and that I had agreed that we wouldn't conduct an investigation -- immediately, I interrupted Mr. Coy, and I said, I don't know who you are, but if Colonel North is concerned, I want to talk to Colonel North.

He said, "Colonel North is not here, he is not in the United States." I said, "I don't care where he is at." I said "Get ahold of a number, get ahold of Colonel North, tell him I want to talk to him."

I terminated that conversation, and I immediately called down to Leon Guinn at his residence, and I asked him, I said something to the effect, what we are doing on SAT that is different from what we discussed earlier in the month?

He said, nothing. He said, we are conducting an investigation as you and I discussed. He said, I think maybe another subpoena was issued. I can confirm it. He said, I think we issued one yesterday. Immediately, bells go off in my head saying, now I understand the telephone call.

Leon, I think -- I think Leon and I terminated our conversation and he called me right back to confirm that the previous day, our agent had served the administrative subpoena on SAT. I said, fine, go ahead, continue.

He said, you realize that they have 10 days, two weeks to respond to the subpoena. I said, fine. You know, very nonchalant. And I guess it was about five minutes later I got, I had a second conversation with Craig Coy, who gave me a long-distance, out-of-country phone number.

Q So, Coy called you?

A Yes, he got back to me. I guess we went through -- anyways, I got the number, I thanked him, and then I proceeded to use my credit card and call the number, I did not save the money, maybe I should have, I didn't save it --

Q Do you know where it was?

A It would be a guess on my part. Only because I had to go through a hotel clerk. If I had to pin it, I would say it was either in Europe or the Middle East because of the accent.

I went through the desk clerk, I guess you would call him, I got ahold of Colonel North, and it was about 3, 3:30 in the morning when I talked to him, I woke him up obviously, and I identified who I was, and I said, yes, he said, what are you doing? And I said, what do you mean what am I doing? I said, I told you we were conducting the investigation on the

C-123.

He says, we are right in the middle of a lot of sensitive business here, I am trying to get some packages out of here, and I don't need -- he said, look, we are conducting investigations on the C-123. I said, as you know, there are other agencies that may be investigating it. You are going to have to deal with that. I said, we served a subpoena, we are going forward.

He didn't seem to have a problem with that. Okay? Then he said, well, you tell Coy, okay, to take care of -- or do something about these other agencies, the FBI. Okay? I said, all right. He said, by the way, Ollie, when you get back, I would like for you and I and the Commissioner to get together.

The reason I said that, or when I heard the term "packages," I became concerned. I took that term to mean that we were talking about more than all this stuff about Maule and the SAT investigation.

He said, fine, and we terminated our discussion. I then called Coy up, I told Coy that we have served another subpoena, we intended to continue our investigation of the C-123 And we, according to -- that -- not according, but Colonel North wanted me to pass a message to him about these other agencies that might be investigating SAT, to including the FBI, and take care of whatever has to be done.

He said, okay, he will take care of it, and that was the end of that conversation. Now, our Commissioner was out of the country at that time, and I put it on the top of my list to discuss with the Commissioner.

Unfortunately, the Commissioner was not coming back until like the weekend of the 7th, the 7th or 8th, and we a conference scheduled anyways at his farm, a management conference. It was on the 10th, which was, I believe a holiday.

Q That is November 10?

A Yes, of '86. While at the conference, I related to the Commissioner that status of the SAT investigation and the Maule and the fact I had not gotten the documents, and that in conjunction with the SAT matter, my conversation that I had with Ollie and that I felt very uncomfortable with what was going on.

Q Why?

A I had never heard of anybody in the National Security Council becoming directly involved in trying to get packages out of another country -- meaning hostages -- from an operational standpoint.

Q Did you understand him to say hostages when he said packages?

A Yes. That is what came to my mind immediately. They were trying to get some people out of there, some hostages out. And when he said, I became concerned, I want you to clearly understand nothing of illegality, it is a concern that I had that the Commissioner was aware of it, that the Treasury was aware of what was going on here and that, you know, we were being asked in conjunction with this -- okay -- in essence to be circumspect in our investigation of Southern Air.

And I had gotten this phone call, if you will, from Coy and also my conversation that certain sensitive things were going on relative to SAT, and -- in conjunction with getting these packages out. That is far different than somebody making an inquiry about the manner in which we are conducting an investigation or expressing their concern that there were a bunch of good guys and there was no violation activity, we are getting into a whole other arena.

Q What is it that North said when you called him at his hotel overseas that made you think that what he was doing regarding the package was in any way related to SAT?

A I didn't say that.

end md
drg fls

Q That's sort of what you are inferring.

A No, you are inferring that. What I am saying is we have got an investigation on SAT, Colonel North makes a representation about packages, and be circumspect in our investigation of SAT as both of them were related. Okay? I don't know what that relationship was. I mean, I could sit then and sit here now and do a lot of surmising.

Q No, what I am asking you, at that point when you were talking to the Commissioner, in your mind, had North connected the two? In other words, the way you related the North conversation, he has woken up and says, "Well, I am trying to get these packages out and I am busy here. I don't quite understand what made you connect that remark to the SAT investigation.

A First off, we start out our conversation about my people being all over SAT, and he is involved in -- and SAT is involved with him, I gather in very sensitive -- in NSC operations involving getting packages out.

Q That's my question. Did he say that?

A He talked about packages. I know he is NSC. He didn't say NSC.

Q I know that. Did he say SAT was involved in sensitive operations?

A No, he did not. He said it is sensitive. Okay? He didn't say involved in sensitive; it is sensitive.

Q Were you concerned they could be related?

A Exactly.

Q And you expressed that?

A Well, that is why I wanted to meet -- I wasn't going to discuss this over open, long-distance lines, and he wasn't in a position to get to a secure phone. So that's why I waited. I figured it is NSC, it can't be all that bad, so the first, the clear opportunity then we had to get together was down at his farm on the 10th in conjunction with the management conference.

Q Okay. By then, of course, the story had broken.

A Had it?

Q In the media.

A All right.

Q Well, the hearings had shown that the newspaper accounts of the arms shipments to Iran came out on the 3rd and 4th of November, and by the 10th, it was pretty well steam rolling along. Did you discuss those stories with the Commissioner at that point?

A Yes. Obviously, we did about Iran. All right? There wasn't anything in the paper about hostages at that time that I recall. Do you?

Q I am not the one being deposed. What did the Commissioner have to say when you expressed these concerns?

A He could understand. He said, "Yes, I understand your concern." He says, "This is bothersome", and he said, "The best person for us to talk to about this would be Bob Kimmet", because Bob Kimmet, who is our General Counsel for the Treasury Department, was at one time General Counsel for NSC.

I indicated to the Commissioner, "Do you want me to cancel my trip abroad?" Because he was going along the Southwest border to do a bunch of visits. And he said, "No, but be sure before you go out of the country", or wherever I was going at the time, and I would have to go back to my calendar to look, that I make an appointment with Mr. Kimmet.

I called Mr. Kimmet personally from my residence that evening, which was the 10th, indicated to him I would like to have an appointment with him, it was very important, the following Monday because that would be the first day I would be back in the office. He said, no problem, we'll just have our secretaries work it out.

So I called my secretary the next morning and indicated for her to call Mr. Kimmet's secretary and get me an appointment for sometime Monday afternoon. Usually when I am away for a week Monday mornings are unbelievable. So it was set up for, to the best of my recollection, either a 3:00 o'clock or 3:30 appointment on the 17th.

Q What is the next event then that happens?

A I went over and talked to -- well --

Q Nothing happened from the 10th to the 17th?

A No.

Q You didn't speak to Colonel North?

A No.

Q You may have testified to this already, but when you spoke to Colonel North on the 17th. did you call him, or did he call you?

A I called him. Reference to the Maule.

Q Did you discuss Southern Air Transport?

A No.

Q Did you speak with Mr. Kimmet on the 17th?

A Yes, I did.

Q Did you relate to him the same concerns you related to the Commissioner?

A Yes.

Q I gather you discussed with him Maule and Southern Air Transport?

A And Kelso.

Q And Kelso?

A All three.

Q What did Mr. Kimmet tell you?

MS. ANDERSON: I don't think he should do that. That is privileged. That is attorney/client.

MS. NAUGHTON: I am not sure of that, but it is not that important, so I won't --

MS. ANDERSON: I don't want him to answer it.

MR. MC GOUGH: I don't have any interest in pursuing it.

MS. NAUGHTON: Okay.

BY MS. NAUGHTON:

Q After talking to Mr. Kimmet, did you talk to Colonel North?

A No.

Q After talking to Mr. Kimmet, did you talk to the Commissioner?

A Yes.

Q What did you discuss with the Commissioner?

A I related to the Commissioner my discussion. I thought it was going to be a private conversation between myself and Mr. Kimmet, but Mr. Kimmet elected to have one of his assistants in the office as well taking notes. They indicated to me, which I relayed to the Commissioner, that they were going to forward something to the Justice Department about what I had relayed to them.

Q Did the Commissioner tell you what the purpose of that would be?

A Pardon me?

Q Why forward that to the Justice Department? For what?

A The Department of Justice, the Department of

Treasury was going to forward a letter, if you will, setting forth my information, if you will, so the Department of Justice would have it. Basically, the Commissioner just listened to my reporting of what I told him. Basically, he knew what I told him, and that they were going to forward.

I later found out that Treasury did forward a letter to the Justice Department. I have never seen that letter. It has been relayed to me a couple times at different interviews, hopefully the last of a long list.

Q Prior to your speaking to the Commissioner on November 10, did you discuss the Southern Air investigation with him prior to November 10?

A No.

Q Do you know if he was being apprised of it by any other means?

A No, I might have casually mentioned one day -- when I say casually, we were conducting an investigation on the SAT, but I don't believe I ever mentioned anything to the Commissioner about Ollie North's phone call to me.

Q Do you know whether or not Colonel North talked to the Commissioner about the SAT investigation?

A I have no knowledge of that.

Q Did the Commissioner tell you he talked to North?

A No.

Q Do you know whether or not Secretary Baker ever discussed it, the investigation, with Colonel North?

A I would have no way of knowing.

Q Do you know whether or not he ever discussed it with Attorney General Meese or anybody else?

A North?

Q Secretary Baker, Secretary of the Treasury.

A No. I don't have any first-hand knowledge of that.

Q I am not saying were you present. Did anybody tell you that Baker had been contacted by Attorney General Meese?

A This is hearsay. Shall I give that?

Q It is fine.

A On hearsay, I had heard at some social function, when I say social function, associated with the job, that Attorney General Meese indicated to Secretary Baker that he wanted to talk to him later on in the day or some subsequent time relative to an investigation that Customs was conducting.

I have also heard, again it is hearsay, that Secretary Baker never received a follow-up call or had a conversation in conjunction with that.

Q I take it there were no inquiries made to you from the Secretary's office regarding the case?

A Absolutely none. To me or the Commissioner. Because if the Commissioner had gotten, I would have gotten it.

Q Did you ever have any conversations with Admiral Poindexter regarding any of these three cases we have discussed?

A No.

Q Do you know whether or not Admiral Poindexter contacted anyone at Customs regarding any of these meetings?

A I don't have that knowledge. Again, if the Commissioner had been contacted by Admiral Poindexter relative to this case, I am fairly confident that he would share them with me. Or at least the mere fact that he had a conversation, maybe not necessarily the details.

Q Now, I believe the second subpoena had been served on September 29. Do you know when a third subpoena was served?

A I do not know whether that was a grand jury subpoena or an administrative subpoena, because that whole investigation now is under the Independent Counsel. So insofar as what has been going on in that investigation, once we ceased, at the direction of the Independent Counsel, I have no knowledge of that case.

Q Was there any attempt on the part of attorneys for SAT or for executives from SAT to contact you or any of the agents' supervisors to try to deal with the problem of the subpoenas?

A Nobody from SAT -- let's go back. Your question was any attorneys, right?

Q Or the executives themselves.

A Nobody ever contacted me. Now, whether or not those same persons that you just named attempted or successfully contacted any supervisor or manager in the Southeast Region, I would have to defer, because I would not have knowledge. I don't have knowledge of that. I would have to find out.

Q Now as to the FBI investigation, did, first of all, did you discuss the SAT investigation with anybody at the FBI either in October or November, 1986?

A No.

Q Did you know in either October or November in 1986 of any similar attempts or similar conversations by Colonel North or Admiral Poindexter to have the FBI investigation?

A I do not know whether Colonel North or Admiral Poindexter or anybody went to the FBI. I would not have knowledge. That would be something between them -- between those two parties. That is assuming that it did happen. I do not have any knowledge.

Q So Colonel North, for instance, or Commander Coy never imparted any information about the FBI investigation to you, is that correct?

A That is correct.

MS. NAUGHTON: I think that is all the questions

I have.

BY MR. MC GOUGH:

Q Mr. Rosenblatt, you referred to the Maule investigation and SAT investigation, to Colonel North's remarks the involved individuals were "good guys".

A Yes.

Q I want to probe a little bit what you understood that to mean. There is at least two possible meanings; one, they are good guys who wouldn't break the laws, and the other is they are good guys in the sense they are government operatives. And what I want to get at is when he said the words "good guys" --

A Your first definition.

Q Just the first?

A Yes.

Q The first being that they were people who would not break the law.

A Yes.

Q Did you understand it to have any implications when he said that they were good guys working for the government?

A I did not infer that.

Q Let me just close the set a little bit here, if I can. You talked about various matters today. Are there any other matters in which you had contact with Oliver North at all?

A Other than the areas we have covered today, no.

Q Have you ever been in Oliver North's office?

A Yes, once.

Q Can you give me the circumstances of that?

A Well, it was in connection with trying to follow up with the Maule investigation and getting some of the documentation. Up to that time, Colonel North was just a voice over the phone. So I seized upon the opportunity to go over to his office, made an appointment, and went over and met him. It was a very brief meeting. If it lasted more than ten or 15 minutes, that was a lot.

Q That was in the context of the Maule investigation?

A Yes, the Maule -- by that time, I think it was in October, it would have been about the Maule and the SAT. It probably was about the SAT as well.

Q Do you recall any of the discussions you had subsequent to that?

A No, just general. Again, my purpose over there was to get the documents, again.

Q Did you see anyone else in Colonel North's office when you went there?

A I saw a secretary there. There were some other folks in and out.

Q Did you know anyone who was in and out?

A The only person I remembered was Buck Revell. Buck Revell came out of his office. I arrived there five minutes later, Buck Revell came out of his office, we said hello, and he departed.

Q Did you have any substantive discussions with Mr. Revell?

A No.

Q Do you know why he was visiting Colonel North?

A I don't know.

Q Did you talk to Colonel North about the fact Buck Revell had just been in there?

A I didn't think it was any of my business.

Q Has Colonel North ever been in your office?

A I don't believe so.

Q Have you ever met with Colonel North outside his office?

A No.

Q Other than that one face-to-face encounter in his office, have you ever met with him at all?

A No.

Q Other than the package of information on Maule that he sent over to you, did you exchange any other correspondence or documents?

A No.

Q Do you still have the credit card information, the billing information on the phone calls that you made on October 30?

A No. The possibility of getting that now at this late date is almost impossible. They retain it for six months. Unless you are more successful than we are as investigators, you are going to have a hard time retrieving it.

Q You mean from the phone company?

A That is right.

Q My question is, do you retain them for tax purposes or anything like that?

A No.

MR. MC GOUGH: That is all I have.

BY MR. GENZMAN:

Q Regarding the telephone conversation on October 30 when North was overseas, when he talked about trying to get some packages out, was this in the same context as the SAT investigation?

A Yes.

Q You inferred he was trying to make the link between the two subjects?

A Yes.

Q Did he say anything more specific about SAT and any link it had with the packages?

A No. I inferred, or I got the impression that whatever he was attempting to do with the packages, to some extent it was predicated on the involvement, if you will, of SAT.

Q Were you thinking at that point about the subpoena which asked for all of the SAT records?

A Yes. It began to make me wonder whether my choice of focusing on the C-123 might have been imprudent at that time.

MR. GENZMAN: I have nothing further.

MR. MC GOUGH: Let me return for a minute to the phone records.

BY MR. MC GOUGH:

Q The credit card that you used, was it a personal credit card, or was it the Custom Service's?

A Custom Service.

Q So the bill would have been sent to the Customs Service?

A Yes.

Q Do you know whether those bills are retained by the Customs Service in that form?

A I don't know.

Q Do you review the bills each month?

A Either myself or my staff review the bills. But I don't believe that they are retained for a very long period of time as long as we check off on it.

Q Who in your staff would know that?

A Mr. Paul Pulitz.

MR. MC GOUGH: That is all I have.

MS. NAUGHTON: Thank you very much.

(Whereupon, at 12.55 p.m., the select committee was adjourned.)

STENOGRAPHIC MINUTES
Unrevised and Unedited
Not for Quotation or
Duplication

UNCLASSIFIED UNCLASSIFIED

Committee Hearings

of the

U.S. HOUSE OF REPRESENTATIVES

4111

Partially Declassified/Released on DEC 30 1987
under provisions of E.O. 12356
by D. Sirko, National Security Council

OFFICE OF THE CLERK
Office of Official Reporters

UNCLASSIFIED

COPY NO. 2 OF 3 COPIES

UNCLASSIFIED

RPTS CANTOR

DCMN GLASSNAP

DEPOSITION OF LARRY ROYER

Thursday, May 21, 1987

House of Representatives,
Select Committee to Investigate Covert
Arms Transactions with Iran,
Washington, D.C.

The Select Committee met, pursuant to call, at 6:00 p.m., in Room B-352, Rayburn House Office Building, Joe Saba (Staff Counsel, Select Committee) presiding.

Present: Joe Saba, Staff Counsel, House Select Committee; Vernon M. Houchen, Counsel for witness; Hon. Paul S. Trible, United States Senator from the State of Virginia; Cameron Holmes, Associate Counsel, Senate Select Committee; Don Remstein, Investigator, House Select Committee; Robert W. Genzman, Associate Minority Counsel, House Select Committee; and Richard Cullen, Counsel to Senator Trible.

UNCLASSIFIED

. MR. SABA: For the record, counsel understands that the reporter is a notary public in the State of Maryland, and I have no objection to this reporter administering the oath for purposes of this deposition and no objection to the form of the oath. Would you please administer the oath?

. [Witness sworn.]

. Whereupon,

. LARRY ROYER,

was called as a witness by counsel for the House Select Committee and having been duly sworn was examined and testified as follows:

. EXAMINATION BY COUNSEL FOR THE HOUSE SELECT COMMITTEE

. BY MR. SABA:

. Q Would you please state your name, your address?

PRIVACY

. A Larry G. Royer, [redacted] Decatur, Illinois.

. Q Could you please state your occupation?

. A I am an industrial plant liquidator, and a used equipment dealer in process equipment.

. Q Briefly give us your professional background.

. A I have been an industrial auctioneer quite a few years, and I buy and sell machinery for the purpose of making a profit.

. Q And when did you commence that business?

Partially Declassified/Released on DEC 30 1987
under provisions of E.O. 12356
by D. Sirko, National Security Council

. A My company is Equipment Removal and Search and was formed in early 1983.

. Q And prior to 1983?

. A I was in the real estate auction business and industrial auctions.

. Q And was this business at all times in the State of Illinois primarily?

. A Primarily.

. Q Can you please tell me how you came to know General Aderholt?

. A I met General Aderholt through an attempt to provide a service to liquidate Braniff Airlines when Braniff Airlines was in trouble.

. Q When was that?

. A '82 probably, 1982.

. Q And did you do any business with General Aderholt following meeting him?

. A On the Braniff Airline thing? Only the point that we had him do a consulting and writing the plan, and he was paid for those services.

. Q Did you have occasion to travel with General Aderholt?

. A Yes, I have traveled with General Aderholt to Guatemala once and to Thailand twice.

. Q Did you travel anywhere else with him outside the

United States?

A No.

Q When did you travel with him to Guatemala?

A I think I traveled with him in 1985 or 1986.

Q And what was the purpose of the trip?

A He was going to introduce me to people that he knew down there who may have needs for used machinery in the sugar cane industries.

Q And did he introduce you to such people?

A Yes, he introduced me to two cane sugar operators.

Q Do you recall their names?

A Roberto Aleous of Salto Corporation, and Widman--I don't know his first name at the present time--who is a cane producer and processor.

Q Did General Aderholt introduce you to any other businessmen in Guatemala?

A If so--no, I don't think so. I really don't think so.

Q Did you have occasion to pursue any business other than that related to sugar cane equipment in Guatemala?

A Sugar cane related then to alcohol for fuel use. I think that is basically what we talked about. We talked about a lot of possibilities, what could be done in Guatemala, but basically processing equipment, I think.

Q Were you involved in any way in General Aderholt's efforts to provide medical assistance to residents in Guatemala?

. A None whatsoever.

. Q Were you involved in any military, paramilitary activity in Guatemala?

. A None whatsoever.

. Q Since 1982, have you done any business directly with General Aderholt?

. A I sold him or helped him buy a printing press, a small little project of about $2500 from a company in Illinois.

. Q Approximately when?

. A 1983-'84, in there sometime.

. Q What was the approximate value of the printing press?

. A The selling price was $2500, but we come to find out that the value now is nothing. It is a junk piece of machinery, never operated.

. Q Since that time, have you transacted any further business with General Aderholt?

. A No. I am getting a forklift donated from a good processing company to his air commando unit for help in lifting and loading these medical supplies down there, but that is all.

. Q Have you obtained that forklift?

. A No, not yet.

. Q And from whom would you obtain the forklift?

. A Well, I will try to get it from some good processor that will just give it for the help.

. Q This is to be donated?

. A Donated, right.

. Q And if you are successful in obtaining a donation, to whom would the donation be made?

. A To Aderholt's air commando group.

. Q And do you know the destination of the item?

. A Probably Fort Walton Beach, Florida.

. Q And why that place?

. A That is where he headquarters out of, so I assume that is where he wants it.

. Q Have you or are you engaged in the performance of any services or procurement for General Aderholt related to military or lethal equipment for any purpose?

. A None whatsoever.

. Q Did you have occasion to meet General Richard Secord?

. A Yes.

. Q Can you tell us when and the circumstances?

. A During our work with the Braniff Airline liquidation proposals, I was in Fort Walton Beach, Florida, and on a specific weekend, some weekend, General Secord and his wife, Joanne, came to visit General Aderholt, and I was introduced to him at that time.

. Q Do you recall the time?

. A '83, I think it was, '82 or '83.

. Q Was it at a time when General Secord was still on active duty?

. A Yes.

. Q And following that meeting with General Secord in Florida, did you have occasion to see him afterward in 1983?

. A I don't think--I saw him then until after he retired from the military. I invited him to come to New Jersey and visit with some friends of ours, and then he and I traveled to Europe on a five-day vacation together.

. Q When was this?

. A In '83, in October I think of '83, yes, '83, October of '83 probably.

. Q Did you transact any business with General Secord in 1983?

. A No. I don't think so. I don't believe I did.

. Q When did you first visit General Secord following his retirement from the military?

. A I really don't know. I think in '84. I remember coming out to General Secord's office, his first office, and I think I was there a couple times.

. Q Do you recall approximately when was the first time

UNCLASSIFIED

you had occasion to visit him in his office?

. A No, I don't. I really don't.

. Q Can you describe the circumstances where you came to meet Mr. Don Marostica?

. A Mr. Marostica was acting as a supplier of capital for a company that was going to be formed in Sterling, Colorado, and when I was called to Denver to finalize the sale of equipment to a fellow by the name of Wesley Holmes--

. Q When was this?

. A In early '86, I guess, and Marostica was supposedly the man who was going to furnish the capital, raise the capital for this venture, and that is when I first met Don Marostica.

. Q And did you transact that business with Mr. Marostica?

. A Yes.

. Q What was that business called?

. A First American Sterling Mills.

. Q And what was the nature of the business?

. A Fish meal, processed to make fish meal.

. Q Did it involve General Secord?

. A No.

. Q Albert Hakim?

. A No.

. Q Stanford Technology Trading Group, Inc.?

UNCLASSIFIED

. A No, none.

. Q Did Mr. Marostica propose any additional business ventures to you?

. A Yes. He proposed several business ventures to us.

. Q Could you name those ventures?

. A He proposed ventures that we describe now as American Arms, Ceratech International, a timber logging operation called Quinault timber project, and a pharmaceutical project called Bio Fine.

. Q Directing your attention to the project called American Arms, can you tell us how this project was proposed and what came of it?

. A Marostica told me that there was a company in Salt Lake City that was manufacturing an automatic weapon, that company needed financial help, it needed marketing. It was in bad financial condition, and they needed somebody to help them.

. Q What was the name of this company?

. A American Arms, Salt Lake City. So Marostica invited--he gave me the information on the thing. I called General Secord and wanted to take a look, have him take a look at this weapon to see if it had any possibilities.

. Q What information did Marostica give you on American Arms?

. A Probably gave me some projections of what the weapon was capable of doing, projections of if we could manufacture some, how much it would make.

. At that point in time, I don't think there was much said about projections of dollars or anything until we finally met, after our meeting with the Goffs in Salt Lake.

. Q When did you have that meeting with Goffs in Salt Lake?

. A I don't know. I would have to look.

. [Discussion off the record.]

. THE WITNESS: The first of May, 1986, or thereabouts.

. BY MR. SABA:

. Q Who are the Goffs?

. A The Goffs were the major stockholders and managers of American Arms, Inc.

. Q And you met with which Goffs?

. A Don Marostica and myself met with both the father and son in Salt Lake City.

. Q What is the relationship of Mr. Goff, Sr. and Mr. Goff, Jr. to American Arms?

. A Wait a minute. I have got to correct that. I think, if my memory serves me right, Richard Secord and I were the ones who met the Goffs in Salt Lake City.

. Q So if I understand you, is it correct to say following the receipt of information about American Arms from Marostica, you conveyed that information to Mr. Secord?

. A That is correct.

. Q How did you convey the information?

. A I think I probably talked to him on the phone, and then maybe mostly telephone conversation, and I invited him to come to Salt Lake City to take a look at the weapon.

. Q And did he come to Salt Lake City?

. A Yes, and I met in Salt Lake City, and we went to American Arms and looked at the weapons.

. Q And whom did you meet at American Arms?

. A Both Junior and Senior Goff.

. Q And what was their relationship to American Arms?

. A The general managers and stockholders and probably founders of American Arms.

. Q And what did they tell you?

. A Well, they are, of course, trying to sell us on the merits of their weapon.

. Q What is their weapon?

. A They manufacture an automatic machine gun called the American-180, with a laser sight, fires a 22-round at a high rate of speed, like 1800 rounds a minute.

. Q I would show you this brochure which will be marked Exhibit 1.

. [The Following Document was marked as Royer Exhibit No. 1 for Identification.]

********** COMMITTEE INSERT *********

. BY MR. SABA:

. Q Can you identify the brochure?

. A Yes. It is a brochure of American Arms at Salt Lake City, reflecting the American-180 weapon that we were interested in.

. Q Directing your attention to the exhibit, are the weapons depicted in the brochure those that you discussed with Mr. Goff?

. A Yes.

. Q Further directing your attention to the brochure, could you explain the picture on the page which we will mark for purposes of this deposition Royer 1-A?

. [The Following Document was marked as Royer Exhibit No. 1-A for Identification.]

********** COMMITTEE INSERT *********

THE WITNESS: You will have to repeat that.

BY MR. SABA:

Q I am sorry. Could you describe for us the weapons depicted here?

A There are three weapons, basically the same model. Only one of them is a gold-plated, very good collector's item. The second one is a stainless steel or a chrome, and the third one is a high-gloss blue, which is more or less a production model of the weapon.

Q Did you discuss all three of these weapons?

A Yes.

Q Directing your attention to what we will call Royer Exhibit 1-B, can you describe the picture depicted, what is depicted in the picture here?

[The Following Document was marked as Royer Exhibit No. 1-B for Identification.]

********** COMMITTEE INSERT *********

THE WITNESS: That you are pointing to?

BY MR. SABA:

Q Yes.

A Is a briefcase with an automatic weapon installed inside the briefcase. it was intended to be sold to drug enforcement agencies and government officials that need protection.

Q Was this also discussed?

A Very little, very little.

Q But it was discussed?

A Yes, but I never showed any interest in that, and I don't think General Secord did much either.

Q Following the meeting, what occurred?

A We discussed the possibility with the Gofs, and then we left and went to Denver, and I think we stayed all night in Denver and met Mr. Marostica the next morning, and we discussed the possibilities of investing in trying to do something with American Arms.

Q How would this investment be accomplished? To be more clear, what were the financial terms of the investment?

A Because of the new law that the President was going to sign, we knew that we had to get as many receivers as we could build before he signed that law, and we wanted to--

MR. CULLEN: Let the record reflect what a receiver is.

BY MR. SABA:

Q Yes, could you describe a receiver?

A It is a part of an automatic weapon that generally contains a serial number, and has the trigger capacity and the changing of the shell, what I know about it, but basically it is the part that has the serial number on it that is important to the identification of the weapon.

Q Could you continue explaining the terms of the investment?

A We wanted to get these weapons or the receivers made so that we could convert these weapons that were legal weapons to sell to the people, you know, collectors. We wanted to sell those weapons as collectors' items, and would command a very high price, because once they were sold, there would be no more of them ever sold to individuals for collectors' items. It was going to take about $1 million to do this project.

General Secord said that he could arrange through some of his contacts to get us the necessary beginning funding to get the receivers started.

Q How much was that funding?

A We talked about $150,000.

Q Is it correct that General Secord then was to provide $150,000?

A He was going to arrange to get us the $150,000 so that we could make the 5?000 receivers, yes.

. Q When you say us, who do you mean?

. A The partnership that we were going to form, and we talked about forming it. We did form, started to form a partnership called Tri American Arms, which would have been Marostica, Secord and myself.

. MR. SABA: I show you a document which we will mark Royer 2.

. [The Following Document was marked as Royer Exhibit No. 2 for Identification.]

********** COMMITTEE INSERT *********

UNCLASSIFIED

BY MR. SABA:

Q Are you familiar with this document?

A Yes, I am familiar with this document.

Q Could you please describe what you understand it to be?

A I understand this to be a proposal that American Arms gave to us to try to build some magazines, 1,000 magazines, to complete 280 American-180s that they had in stock, and it was a proposal that they had presented to us which we turned down.

Q Why did you turn it down?

A We didn't want to invest any more money in that situation. We wanted to get--we already had $60,000 invested in it. We didn't want to go any further.

MR. SABA: I show you a document marked Royer 3.

[The Following Document was marked as Royer Exhibit No. 3 for Identification.]

********** COMMITTEE INSERT *********

BY MR. SABA:

Q Are you familiar with this document?

A I am not so familiar with the first two pages. I don't think I have a copy of anything like this. I don't think so. I may have, but I don't think I do. I am familiar with the third, fourth, fifth, sixth pages of the document, and I am familiar with the authority of partnership to open a deposit account. I am familiar with that, and I know why this promissory note--but I have never seen it before.

Q This was not meant to be stapled to that document. It is not part of the document.

So you are not familiar with the first two pages?

A I don't think I am. I know what it is saying and things, but I don't think I ever got a copy of that, and it is addressed to General Secord, and it is not carbon copied to me, so I don't think I have it.

Q But you are familiar with the remainder of the document?

A Oh, yes.

Q Could you explain your understanding of the remainder of the document entitled ''Memorandum of Agreement Between American Arms, a Utah Company, and Tri American Arms, a Partnership''?

A We were going to fund American Arms with $150,000 to make 5,000 receivers, and it was to be a loan and secured by the receivers, in which I pinned down the cost of the receiver. I see here there is an interest--will carry eight percent--I don't know who is supposed to pay that, I don't remember, and what the price of the weapon was going to cost, and it was telling our goal of trying to produce these 5,000 weapons before the President of the United States signed a new law limiting the manufacture of receivers, and we were to receive a certain amount of shares in American Arms for loaning the money and such.

. Q And do you recognize your signature at the bottom of the page?

. A Yes.

. Q And do you tell us that is your signature?

. A My signature? Yes.

. Q Following your meeting with Mr. Marostica in Denver, what occurred?

. A Within a few days, Marostica received the money that General Secord got lined up.

. Q How much money was that?

. A $150,000.

. Q And do you know the date of the transfer of those funds?

. A Around the 15th of May.

. Q And do you know to whom the funds were transferred?

. A To Don Marostica in Sterling, Colorado. I don't know whether it went to Tri American Arms or to him, but to Sterling, Colorado, Commercial Bank of Sterling, Colorado.

. Q Do you know if the money was transferred to an account in the name of Tri American Arms?

. A I don't know for certain, but I would assume that it was Tri American Arms. I think he probably had it set up by that time.

. Q And how did you understand that these funds came to be transferred?

. A I don't understand your question.

. Q Whose money did you understand it to be?

. A Hakim had lined it up. I am sure that Hakim had lined the money up, and Secord had helped him line it up. I understood it to be money coming from a Swiss source.

. Q When did you understand that?

. A Early in the situation, very early, the day that he said that Secord says that I have some connections that I can get the money over here, and I will go back and see if I can get it, and in a few days it was there.

. Q Was the money loaned to Tri American Arms?

. A Yes.

. Q Is there any document recording the loan?

. A No.

. Q Are there any terms discussed concerning the loan?

. A Well, the gentleman terms were that once the weapons were made, this money would be part of a cost of goods of the project, and that money would be refunded to whoever loaned the money.

. Q And how did you come to understand this?

. A We discussed it in Denver.

. Q Was this discussed with Mr. Marostica?

. A He was there, sure. It was startup capital, and startup capital always is repaid.

. Q What did you understand to be the contribution of each of the partners to Tri American Arms?

. A Well, the contribution was that Marostica was to handle the books and the administrative parts of it, Secord was to do the selling, marketing the thing, and I was to be the man who made sure that the weapons and everything were manufactured and worked with the Goffs.

. Q And where would the weapons be sold?

. A This first initial bunch was to be sold as collector items here in the United States. Any of the weapons that would qualify as legal weapons here in the United States.

. Q Who would have the responsibility for selling them?

. A Secord was going to head up all marketing, and the Goffs would help them in that, but the collector's item thing was something that you just basically had to advertise them in certain magazines, and they would sell themselves.

. Q And, again, how many units would there be?

. A We were planning on making 5,000.

. Q And following the completion of the manufacture of the 5,000, would additional weapons be made?

. A We thought that it could be an ongoing business. We felt that the weapon was a very good antiterrorist unit. it was a good police unit, and if we could get the marketing in line, that, yes, it could be sold to small countries, third-world countries, police agencies.

DCMN GLASSNAP

. Q Was there a discussion of which countries?

. A No. Third-world, antiterrorists was what it was. That is what the weapon was designed for.

. Q Were countries in the Middle East mentioned?

. A No. We were not into that part of it first. The first thing was to get these weapons made for collectors' items.

. Q And following your meeting in Colorado with Mr. Marostica and Mr. Secord, what happened next in connection with Tri American Arms?

. A The Gof~~s~~f immediately contracted to have the receivers manufactured around the 15-16th of the month, in there somewhere, about the 19th the President signed the bill, which really had no bearing on the situation at this time because some of them, whatever ones were made at that time were ready to be sold as collectors' items, and then the ATF came in right away and seized all of the receivers at Aurora, Colorado, and all of the weapons and things in Salt Lake City in American Arms offices.

. Q Did you understand the receivers had been manufactured prior to the 16th of May?

. A Did I understand that the receivers had been manufactured?

. Q Yes.

. A Our 2,000?

. Q Yes.

. A I don't think so, because I don't think they would make them until the check was issued, and the check, as far as I know, was issued on the 16th of May.

. Q And in connection with the issuance of that check, was there any security obtained from American Arms?

. A Yes, American Arms gave us a security agreement in the receivers that were being manufactured.

. Q How many checks were given to American Arms?

. A As far as I know, two, two checks, each for $30,000.

. Q Following the raid by ATF on the Goff operation, what occurred next in respect to Tri American Arms participation with American Arms?

. A I called Marostica and said we need to go to Salt Lake City. We went out there and surveyed the situation. American Arms people were telling us this was not a big deal, we would have the receivers back in a short time, trying to get us to, you know, be calm about it, and so we waited for a while. Then American Arms came back with a proposition that helped the cash flows and helped us get some of our money back, that they had about 200 and some weapons that they wanted to tool up for and complete them, and we could sell them and try to recoup some money, but we backed away from that. We said that we wanted to wait and see what the Gofs could do with ATF before we got involved in any more. There were too many problems.

. Q In your planning for the transactions, was there any discussion of potential profits, including breakdowns of the cost of the weapons, the profits anticipated by Tri American arms and its three partners?

. A Yes, there were profit projections, there were cost projections. That is how you go into a project.

. Q Were these reflected in any writings?

. A The Gofs had a lot of projections and things, and I think that Marostica had some, and I don't seem to have any of those projections in my files or things, but I just Know that if I can manufacture a weapon for $335 and I can sell it as a collectors' item for $2500 and I can sell 5,000, or 2,000 of them, it is a pretty lucrative situation.

. MR. SABA: I want to show you a document which will be Royer Exhibit 4.

. [The Following Document was marked as Royer Exhibit No. 4 for Identification.]

********** COMMITTEE INSERT *********

UNCLASSIFIED

BY MR. SABA:

Q Are you familiar with this document?

A It is my writing, I believe it is, yes, okay.

Q Could you explain the document to us?

A Well, two phases.

Q Let me call your attention, if I may, to the lower left-hand corner of page one of the exhibit. Could you please read the writing within the box?

A ''Don, Richard and Larry''.

Q And who do you understand those individuals to be?

A Don Marostica, Richard Secord and Larry Royer.

Q And the number below the names?

A Is 4,200,000.

Q And what did you understand that number to represent?

A I have no idea until I read the document.

[Discussion off the record.]

BY MR. SABA:

Q Mr. Royer, just to confirm and clarify the record, the writing on the exhibit is your writing?

A Yes.

Q Returning to my question, could you explain the number 4,200,000 in the lower left corner of page one under the names, Don, Richard S. and Larry?

A Is that four million? Is that the difference? If

UNCLASSIFIED

we sell 4,000 weapons at $1800, 7,200,000, the cost is $250, or $1 million in cost, the margin was 6.2 million, the use of money was for 200,000. There is about six million left over. Thirty percent of that went to American Arms for licensing, or however we worked the thing out, and would leave approximately $4,200,000 in profit to Tri American Arms.

. Q And this profit would be divided among the partners?

. A Yes.

. Q Equally?

. A Yes, one-third, one-third, one-third.

. Q Could you explain the $200,000 number against which is written the words ''Payback'' and then in paren ''money use''?

. A Money use. Somewhere, if we were going to borrow $1 million, there would probably be, at that time interest was up. I don't know if it was that high, but there could be that amount of money charged for the amount of dollars that we needed until we got the weapons manufactured, so it would be interest money somewhere.

. Q So you understand this to be interest money against the $1 million cost per unit?

. A Right.

. Q Do you understand that number to be connected with the $150,000?

. A You are saying it is $150,000, would it draw that type of interest?

. Q No, I am asking if you understand the $200,000 line here to be connected in any way with the $150,000 which Mr. Secord obtained for the partnership?

. A Well, it would all be part of the million. In other words, if there is $150,000 in there now, then there is $850,000 that would have to come in yet, so the total cost of the million would be the $200,000 roughly.

. Q Directing your attention to the second page, could you explain the item at the top of the page depicted as item 2, assignments?

. A Yes. This kind of says who is responsible for getting what done in the project, and I would like to put on record that this is just actually notes of what I am thinking of how this thing is going to go down. I mean, how to try to structure it, how to get it.

. Q Are these your own ideas?

. A Basically. I think they are. You know, I do a lot of note-writing and things, and I don't know where this thing--when I did this, sometime early on in the project.

. Q We will get back to that, but could we stay with the page? Directing your attention again to this same item number 2, assignments, I understand that the name ''Dick'' refers to whom?

. A General Secord.

. Q And the word following the name?

. A Capital.

. Q And how do you understand that?

. A He was responsible for raising the capital.

. Q Directing your attention to the bottom of the page, titled ''Objectives of Phase 2'', could you explain the entries there please?

. A If we are going to do this project, we are going to attempt to tie up all the worldwide marketing rights of American Arms. They needed somebody to do the marketing. We thought we could do it. Stock in American Arms, we were going to get stock in that corporation, and we felt that their laser was not quite done yet, and that we would probably use the laser that was built offshore.

. Q Whereabouts?

. A I think Korea is where.

. Q From whom would you procure it?

. A That I don't know. I just know that General Secord, from his experience, felt that there were better lasers available in the marketplace that were made out of this country, and we would control all the marketing, and license, maybe have some other plants in other parts of the world. It is strictly trying to figure out how to do this thing.

. Q Directing your attention to page three, can you explain to us why the starred item under the caption indicates no domestic sales projected?

. A No. In reading this, I don't know. It doesn't seem to make sense, but I don't know why.

. Q Directing your attention to the next line, can you explain the entry ''1,000-1,500 Saudi and Gulf States''?

. A Evidently somebody had come up with a figure that there was a possibility that maybe we could sell this amount to the Saudi or Gulf States.

. Q And the next line, 4,000 contra?

. A Somebody has said that maybe there is a possibility of selling them, some to the contra movement.

. Q Could you tell us who this somebody might be?

. A I don't know. It could either have been Marostica; it could have been Secord. It certainly wasn't me, because I don't know whether we could sell them down there or whether we couldn't.

. Q But you prepared this document, correct?

. A Yes.

. Q And is it your statement that these entries were suggested by someone else?

. A Yes, yes.

. Q That these entries are not your original idea?

UNCLASSIFIED

. A No. You know, the more I think about this thing, I think probably it was maybe a recap of the meeting that we had in Denver.

. Q Could the somebody who suggested the contras and Saudi Arabia also be the somebody who suggested the lasers on page two?

. A Yes.

. Q Could you explain the entry underneath which states ''25 percent commission, based on $1,000 per unit--''and then in numbers ''$1,375,000''?

. A Somebody was going to be paid a commission for it, and evidently it was Stanford Technology that was going to be paid the commission of 25 percent. Stanford was going to act as the marketing unit for this.

. Q Who did you understand Stanford Technology to be?

. A Richard Secord and Albert Hakim.

. Q Following the raid of the ATF on the Goff operations, what steps did you take next in respect to your security interest in the receivers in connection with the $60,000?

. A That I took or that Tri American Arms took?

. Q If you have knowledge of Tri American Arms' action, then Tri American Arms.

. A What steps did we take to secure ourselves?

. Q Did you take any steps to secure?

UNCLASSIFIED

. A Well, we went to Salt Lake to see what the situation was.

. Q Who went to Salt Lake?

. A Marostica and myself after the raid, and there just wasn't much--the only way that we could get any security back was if the ATF would release the receivers, and they were not going to do that. I don't know that there were any legal steps taken in trying to recoup, because there just wasn't much of a place that we could go, that I recall. I don't know if Marostica did, or what. This is getting back. I don't know, I don't remember.

. Q Directing your attention again to Exhibit 2.

. A Yes.

. Q In view of the raid, could you explain to us why there would have been a proposal following that for additional funds?

. A Well, they had, as I recall, some semiautomatic weapons there that were partially finished, and they needed ''X'' number of dollars to get those to where they could turn them into cash, and they came with the proposal to us to try to get us to advance the money to make these weapons, and we never did do it. We felt that there was too many problems, Richard and I did, there were too many problems with American Arms. We wanted to stay away from it.

. Q Was this document and the arms that are discussed in the document discussed between any of the principals of Tri american and the Go$\overset{f}{\underset{\wedge}{\text{f}}}$s between the 19th of May, 1986 and July, 1986?

. A Marostica came up with that program, and they talked to me a couple of times on the phone, and they put it in writing, and it died. We weren't going to go any further.

. Q What occurred after July, 1986 in respect to American Arms?

. A It pretty much laid in limbo. American Arms people kept trying to get their assets freed from the ATF. They kept trying to get us to help them more, and we wouldn't do anything. We said that we thought that they should sue ATF. We stayed away from it.

. In the meantime, on the ATF, we severed the relationship. We dissolved Tri American Arms, and then because we had $60,000 invested there, I was trying to get it straightened around. I took a friend of mine in there to take a look at it, who is a fellow that tries to look at problem companies, and we looked at it again and tried to help them get it straightened around, and we couldn't do it. So we just abandoned the project.

. Q Did you have an occasion to discuss Tri American Arms in early July in a meeting with Mr. Zucker?

. A Yes, but very lightly. We didn't talk much about

American Arms. There was very little conversation about American Arms.

. Q Did you have a discussion concerning the $60,000 that had been put with American Arms?

. A In July?

. Q Yes.

. A In the meeting in July? I don't remember. If there was anything about American Arms, it was a very light conversation, a very light conversation. We were more interested in Ceretech and the wood project. There wasn't much talk about the American Arms thing. It was kind of tabled.

. Q Could you describe for us what we have called so far the wood project, commencing when it first came to your attention, and how it was brought to your attention?

. A We were working with a group of people in Ceretech National, and one of Ceretech's people recommended that I talk to a fellow by the name of Ed Herman, who had great experiences in logging and timber in the Northwest.

. Q Who in Ceretech suggested that?

. A Richard Finke.

. Q And Mr. Finke--

. A Recommended that I talk to Ed Herman, who was a friend of his and a logger and had great experience in the logging industry.

Q And Mr. Finke is connected with Caretech?

A Caretech, right.

Q Do you know what his connection is with Caretech?

A President and founder of Caretech International.

Q And where is Caretech located?

A Belview, Washington.

Q Please continue.

A And so we talked to--Herman came in and gave me a proposition about a timber project that was owned by the Federal Land Bank in Spokane. The property was located on the Quinault Indian Reservation, and we thought it had some possibilities.

Q What is the time period that this conversation is taking place in?

A This would have been June that he approached me, May or June, June probably, in Denver.

BY MR. CULLEN:

Q 1986?

A 1986, yes.

BY MR. SABA:

Q And did he discuss this with you alone?

A Herman?

Q Yes.

A No. He discussed it, the original was Marostica and Finke and myself, and maybe a fellow by the name of Paul

Barnhoff and Mrs. Barnhoff, I think, were at the table.

. Q And this was at a meeting in Denver?

. A This was in the Clarion Hotel in Denver.

. Q In June, 1986?

. A Probably June of 1986.

. Q And was any proposal made in writing at that meeting?

. A No.

. Q And following that meeting, what did you do in respect to the proposal made? Did you discuss it with Mr. Marostica?

. A Discussed a lot of the things with Marostica at that time. We talked about the wood project. We then went to Seattle.

. Q Was it contemplated that the project would be a Tri American Arms project?

. A Yes. We had some money sitting there. Yes, it was going to be a venture with Marostica, Secord and myself.

. Q Did you discuss it at that time with Mr. Secord?

. A Sometime within the near future, I talked with Secord about it, yes.

. Q Was it by telephone, or was that in a meeting?

. A Probably by telephone.

. Q Following the meeting at the hotel in Denver concerning the wood project, what event occurred next in furtherance of that project?

MR. HOLMES: I didn't get who was present.

THE WITNESS: Who was present in the first meeting about the wood?

MR. HOLMES: The wood project you were talking about.

THE WITNESS: Marostica, Ed Herman, Richard Finke, Paul Barnhoff and Mrs. Barnhoff.

BY MR. SABA:

Q Who are the Barnhoffs?

A They are acquaintances of Finke.

Q Do they have any further connection with this project?

A The wood project? No, not that I know of.

RPTS THOMAS

DCMN QUINTERO

7:00 p.m.

. A We went up to Seattle.

. Q Who is we?

. A Marostica and I. And we talked with the Federal Land Bank.

. Q When did this meeting at the Federal Land Bank occur?

. A Had to be sometime in June. We talked with the representative of the Federal Land Bank, Marostica, and gave them a proposition.

. Q Whom did you speak to?

. A Fellow named Wayne Parris. And, from there either that day or the next day, we went to and attorney with Finke and Herman to discuss the point of trying to open some negotiations with the land bank.

. Q Who was that attorney?

. A An attorney by the name of Sandy Erickson.

. Q For clarity, you understand this attorney to be one acquainted with Mr. Finke and Herman?

. A Right. It ended up we paid the bill but that is what we understood, we talked about this project, Marostica offered $25,000 out of TriAmerican Arms to show the land bank that we had good faith of trying to negotiate with them to buy the property.

. Q And was $25,000 provided?

. A Yes, they took $25,000 out of TriAmerican Arms and it was deposited in the Erickson escrow account in Belview, Washington.

. Q Was that sum discussed prior to that time with other partners in TriAmerican Arms, Mr. Secord?

. A No.

. Q Please continue.

. A Then we had a meeting on July 1, 2, and 3, and Albert Hakim.

. Q I am sorry, could you return to the meeting with the attorneys, Erickson. Did anything occur after that meeting by way of documentation of that $25,000?

. A No, no, Marostica was handling that. He handled all that paperwork.

There should be, I hope there was documentation, but I can't recall.

. Q Following the meeting at the Federal Land Bank, what happened?

. A Then the 1st of July--

. Q 1986.

. A Yes, Bill Zucker and Albert Hakim and myself, my son, Marostica, met in Seattle to review and look at investment possibilities into these projects Marostica had brought to us.

. Q Had you previously met Albert Hakim?

. A Yes, we met Albert Hakim several times and I met him sometime before July in Washington.

. Q Do you recall the first time you met him?

. A No, I don't. No, I don't.

. Q Was it following your initial meeting with General Secord?

. A Yes, I met Albert Hakim through General Secord.

. Q Was that at a time after General Secord had retired from the military?

. A Yes.

. Q Do you recall how many occasions you met Mr. Hakim.

. A How many occasions?

. Q Yes, prior to July 1986.

. A Maybe two times, three times.

. Q Where did these meetings take place?

. A Either basically here in Washington, D.C.

. Q And during those meetings had you discussed the terms of the Tri|American Arms participation in American Arms?

. A Some, some. Richard and myself, we had already gotten involved in the Tri|American Arms and Richard was acting for Albert, he was getting the money through Albert and Albert knew about it, and I am sure that they had discussed it, and when we were here in Washington it was looking into all four of these basic projects, and then we ended in Seattle to try to really zero in on those four projects, and that is how Zucker got brought over.

. Q Had you previously met Mr. Zucker?

. A No, this was the first time I met Zucker.

. Q How was Mr. Zucker introduced to you?

. A As the financial man who would provide the financing as a banker, as a lawyer, as a Swiss banker. That is how he was introduced to me.

. Q What transpired at the meeting?

. A Well, we went through the projects and Finke brought all of ~~this~~ these people in from Ceretech and they tried to tell us what Ceretech can do and what the potentials are and everything. And then we brought the land bank people in; we talked to them about the wood project; we talked a little bit about the arms situation, very little, we basically were interested in Ceretech and the wood deal at that time.

. Q Was there any decision to go forward with the wood deal?

. A There was a decision at that particular meeting, yes, I think we were going to get and, I think the decisions was to hire an attorney, get started, getting some things set up in Seattle, so we could see we could successfully run a cruise, to see what the potentials were out there.

. Q Who was Mr. Miracle?

. A Mr. Miracle was an attorney that Bill Zucker got for us in Seattle.

. Q Did he take part in the meeting with Mr. Zucker those first two days of July?

. A I think he was there one time. I think he came into the meeting--no, I don't think he did. No. No, I don't think--

. Q Was Mr. Erickson there?

. A Mr. Erickson was there and there was quite a little discussion about who Erickson was actually representing. Hakim told him that he was no longer representing TriAmerican Arms, that he was representing the Finke people--and said that he would hire our own counsel out there.

. Q And in connection with the wood project, were documents prepared by Mr. Miracle.

. A Most all documents had been prepared by Mr. Miracle and Harris.

. Q I wish to have this entered, labeled as Royer Exhibit 5.

[The following document was marked as Exhibit Royer-~~1~~5 for identification:]

988 ********** COMMITTEE INSERT *********

UNCLASSIFIED

[Recess.]/

. MR. SABA: Back on the record.

. BY MR. SABA:

. Q Following the July meeting with Mr. Zucker and Mr. Hakim, was a proposal made by TriAmerican Arms to the Federal Land Bank concerning the project?

. A Yes, sir, we started, we started negotiations with the land bank. Hakim, abruptly broke them off.

. Q When?

. A Right after we started.

. Q He said I don't want any part of it; we are done, so he broke the thing off.

I talked him back into it and so we got back into it negotiations and the basis of the thing was to conduct a cruise, get an agreement, some type of agreement with the land bank, so that we could get on to the property and conduct a cruise, see what the volume of wood and things were there. I, through my connections with some people I know at Boise Cascade, hired a consultant.

. Q What was the name of the consultant?

. A Fellow by the name of Will Lawson. And at this time we got the agreement with the land bank to be able to go in and conduct a cruise, and see if the property was worth $5.7 million. That is what we did.

. Q What were the terms of the proposal, do you recall?

UNCLASSIFIED

. A To the land bank?

. Q Yes.

. A Which proposal?

I want to--Marostica made a proposal that was immediately thrown out.

. Q When was this?

. A Early on, July in there, sometime.

After we made the dissolution of the partnership we had--

. Q When was the partnership dissolved?

. A I have to look. Off the record, I would have to look.

. Q As a practical matter, how did that partnership come to be discovered?

. A Through an agreement that Harris, Miracle and Orr made with Marostica, with a signed agreement, but I think it was like in August or September when that happened. There is a point in time when Marostica stepped out then I started working the situation.

. Q Did you understand the time when Marostica removed himself to be August 1986?

. A I can't, it is probably August in there some time when he removed himself.

. Q Would you say there came a time when the wood project was not being pursued by the partnership called TriAmerican?

UNCLASSIFIED

. A Yes, sir.

. Q Approximately when did that--was that time?

. A Probably August, August, July or August, yes.

. Q So that any proposal made subsequent to August 1986 was not a proposal to the land bank of TriAmerican Arms?

. A It wasn't a proposal by TriAmericans Arms.

. Q After August.

. A After that was then Hakim and Royer and Secord.

. Q What entity made the proposal to the Federal Land Bank.

. A The corporation called, SRH Corporation.

. Q What did the initials stand for?

. A Secord, Royer, Hakim.

. Q Are you aware of the state of incorporation of SRH?

. A Yes, sir.

. Q What?

. A Washington.

. Q What?

. A State of Washington.

. Q What is the purpose of, the stated purpose of the corporation?

. A If we could negotiate a situation with the land bank and buy the properties, SRH would be the legal entity which would hold the title to the land and would take to operate the timber operation.

UNCLASSIFIED

. Q Who were the officers of SRH.

. A Secord, Royer, Hakim, Miracle.

. Q Who prepared the corporate document?

. A Harris, Miracle and Orr.

. Q And did SRH come to have a bank account?

. A I think we had a bank account set up in a Canadian bank.

. Q Do you recall the name of the bank?

. A No, I don't.

. Q Why was the bank in Canada chosen as opposed to a bank in the United States?

. A Zucker selected that, and I don't know why.

. Q I will show you a file, the entirety of which is marked Exhibit 5, and a document within the file which we will call 5-A. I will ask you to look at the document and tell me if you recognize it?

. A Yes.

. Q If you would describe the document, your understanding?

. A This is a letter from Miracle to Secord and Royer in which it says that to, it says Burt Weinrich, who is an attorney for the land bank has accepted our proposal as of October 15.

A signed copy of that agreement will be delivered to me tomorrow. So, it is when they have accepted our proposal.

. Q Could you briefly describe that your proposal on the basis of the letter and its attachments?

. A Briefly--

. Q To the best of your ability.

. A Well, basically, we said we would look at it at 5.7, we would give them--

. Q 5.7?

. A Million dollars.

. Q Dollars?

. A Yes.

. Q United States dollars?

. A Yes. This is what they are asking.

. Q This is what you understood to be the price of the land?

. A Yes. And the payment would be a million dollars down and then we would, the land bank would finance the rest of it, carry it over, we would pay off as it was harvested, we have so many days to conduct a cruise, to find out if actually what the land bank was telling us was true, and then we would come back and try to renegotiate the situation as compared to the cruise.

. Q So is it fair to say this is a proposal by which SRM would purchase the land subject to the condition of the cruise?

. A Yes, that is correct.

UNCLASSIFIED

. Q And in order for you to have access to the land to make the cruise was it necessary for you to have this proposal be accompanied with a deposit?

. A Yes.

. Q What was the amount of that deposit?

. A $100,000.

. Q Was that deposit made?

. A Yes.

. Q Where did it come form?

. A It came from Zucker.

. Q How did it come, can you explain the mix of that money, the movement?

. A It came as a--as I would understand it, it was just to come out of Switzerland, to some bank in Washington, maybe it came through a bank in New York, I don't know the wires, it came from Switzerland to this escrow account.

. Q Grays, Grays Harbor Title Company is the account to which it came?

. A Yes.

. Q And did you understand this to be in the State of Washington?

. A Yes.

. Q Was the money coming from Zucker directly to Grays Harbor?

. A Yes.

UNCLASSIFIED

. Q Did it pass through the SRM account?

. A I don't think so. I don't know, but I don't think it did.

. Q What was the understanding between Mr. Zucker and SRM concerning the $100,000?

. A I really don't know. That was discussed between Hakim and Miracle and Orr. All I knew this is what we had to have. Miracle or Zucker, Hakim handled that deal. I really don't know what it was.

. Q And, in connection with the million dollar cash payment required to purchase the land, where would that come from?

. A Zucker, as I understood it.

. Q And what did you understand, would that come through SRM?

. A That probably would go into the SRM and then would be paid to the land bank.

. Q In fact, was that million dollars ever paid?

. A No, no.

. Q What were the terms by which Mr. Zucker would provide that million dollars to the land bank so that SRM might acquire the land?

. A Number one, we had to get the selling price down and we had to get the operational rights of logging in line so that it would be practical to do it, and once we agreed to buy it, then Zucker was going to furnish the capital for the situation.

. Q Under what terms would Mr. Zucker provide that capital?

. A I don't know. I don't know what the actual workings of the things would be, what terms. I do know that he was going to, that we had to assign so many shares of stock of SRH Corporation to get the loan commitment, but what the terms were, I don't think we ever had them worked out that far yet.

. Q I show you a document marked Exhibit 5-B?

. A Yes.

. Q How do you understand the letter, and the document enclosed with the letter?

. A As I understand that, we had to assign--

. Q Could you tell us to whom the letter is addressed?

. A To me.

. Q Date?

. A November 18, 1986.

. Q It is from?

. A Malcolm Harris.

. Q Who is with?

. A Miracle, our law firm. And it is the loan commitment for $5 million, U.S. dollars, to SRH Corporation.

. Q Who is making the loan commitment?

. A CSF.

. Q Do you know--

. A A Swiss corporation.

. Q Do you know CSF the letter to stand for Campagnie de Services Fiduciaries; what did you understand CSF to be?

. A A company; the abbreviations for a company.

. Q Who did you understand the owners of the company to be?

. A Zucker.

. Q Who told you that?

. A He gave me a card.

. Q What did he say?

. A It says that he is with the company.

. Q Did the card say he was, did you understand him to mean employee of the company?

. A I really didn't understand all what Zucker was, but I felt that he was, I knew he was a banker, I knew he was an attorney, I Knew he was a citizen of the United States over there, and in Switzerland. I didn't know whether he was one of the owners of the company, worked for the company, but I knew he was a capital, what you call it, investment--

. Q Would it be fair to say you didn't know who is owner of the entity?

. A I didn't know who the owner of that entity was, only I assume I felt that Zucker had control.

. Q Turning to the loan commitment agreement, was it ever executed finally?

. A No.

. Q Why not?

. A The Iran-contra affair broke and everything stopped, and everything stuck, off the record.

. Q Concerning SRH, what did you understand to be the duties of the officers of the company?

. A The duties of the officers of the company?

I was basically going to run the operation with our people out there that we were going to put in.

. Q Did you know that you would hire local people?

. A Yes, we would have a consultant out there and a logging superintendent to watch our logging operation.

. Q What would Mr. Hakim do?

. A Well, I don't think we had discussed that much yet.

. Q Mr. Secord?

. A ~~Haven't~~ Hadn't discussed that that much yet?

. Q Did you understand Mr. Secord to have any duties at all in respect to SRH?

. A Only serve as President of the corporation.

. Q Would Mr. Secord share in the profits of the corporation?

. A Yes.

. Q What would his profit share be?

. A I think it would be a third, a third and a third. Third. Third for Secord, a third for Hakim, and a third for me.

. Q And SRH would be required to employ individuals in the area?

. A Yes, we would.

. Q It was the intent to work the land?

. A Yes.

. Q To harvest the timber?

. A Yes.

. Q Then to resell the timber?

. A Yes.

. Q Were you going to process the raw logs in any way?

. A No.

. Q How many employees would that require, did you anticipate?

. A One bookkeeping person, an officer manager, which would be our consultant to Mr. Lawson, was going to be employed by us, and Mr. Herman who would be our field representative, very few.

. Q Where would the working capital for the operation come from?

. A We were going to, well, if this loan commitment came through we had plenty of working capital. This would pay itself off in 117 weeks. It has good cash flow.

. Q Returning to the Exhibit 5-B, is it your understanding that the work, that the capital, rather the loan, would be paid off in such a way that the first three years the borrower shall pay interest only?

. A Yes.

. Q What was the rate of interest?

. A I don't know. I don't remember.

. Q And following that, how was it to be paid off?

. A I would have to look at the document, whatever it says, but I think it would be ballooned and paid off within three years probably, about, I don't know, I would have to look at the document, I don't remember.

. Q Just for the sake of the record, to be clear, is it your understanding that CSF made a commitment of $5 million to SRH, that if the transaction were consummated, the money would pass to SRH which would use that to purchase the land and for working capital?

. A That is correct.

. Q That that money would be paid off first interest only for the first three years, and principal thereafter?

. A The interest for the first three years and then the principal.

. Q With the interest percentage not yet agreed upon?

. A Whatever the agreement says, I don't know.

. Q And that company would be operated primarily by yourself?

. A And our people that we would hire out there.

. Q And the people that you would hire. And that you, Mr. Secord, and Mr. Hakim would share equally in the profits of the company?

. A That is correct.

. Q What did you anticipate those profits to be?

. A Depending on the market, probably a couple million dollars.

. Q In the first year, how did you come to calculate that?

. A By multiplying--by the amount of board feet, thousand of board feet that could be harvested per month, times the cost would give us what our gross should be. There is 50 million board feet out there.

. Q Do you recall there being any documents executed concerning any security interest CSF would have for its loan?

. A Yes, there is a document that was prepared to give stock of SRH to the fiduciary or the development corporation.

. Q What percentage of the stock would be given to CSF?

. A I don't know. I do not recall. I do not know. I know I have read something like 29,000 shares would be or 79,000 shares, some figure of shares was going to be given to them as security.

Q You understood that to be the security for the $5 million.

All right, I would like to show you a document which we will label Exhibit 5-C.

A I would like to point out about the time that these reports reached me, this is when the whole thing blew up. We had it that far, and really didn't get a chance to work with all that export thing and so that is why I am vague on a lot of that stuff.

MR. CULLEN: What is it that blew up?

THE WITNESS: Whenever the Iran-contra thing started and Zucker backed off.

BY MR. SABA:

Q I show you a document marked Exhibit 5-C. Could you describe it generally?

A This was sent from Miracle, Harris, Miracle and Orr to Dr. Willard Zucker, and it is about the loan commitment and about the draft and they are talking about making the loan commitment, about the action in lieu of board of directors consent.

Q It refers, does it not, to an enclosed draft consent of action in lieu of meeting of shareholders and directors of SRH Corporation?

A Yes.

. Q And does it not contain in the proposed draft terms whereby such shareholders and directors would consent to a grant of shares to CSF in connection with its loan of $1-1/2 million?

. A Yes.

. Q Is this the $1-1/2 million that was used initially for the cash downpayment for the land?

. A I do not know. I do not know what they are referring to. Mr. Miracle would have to answer that question.

. Q All right.

I want to return again to the issue of the officers and shareholders so that I understand what would Mr. Secord do to share one third of such anticipated substantial profits as you have described?

. A Act as president in this particular venture. Mr. Secord wouldn't be doing very much, he has already done what he needed to do is brought the people to the table that needed to put the deal together. There are certain players. He was one of the players that could do that.

. Q Is it your intention at the present time to go forward with this transaction?

. A No, not that one.

. Q You have no intention to go forward with this transaction?

. A I don't think it will ever fly.

. Q Why?

. A Publicity.

. Q Could you elaborate?

. A Myself, personally, we are going to try to make that thing work, but as SRM Corporation, I don't think we'll ever get it. I don't think we can get the land back to deal in good faith with us because of all the publicity which has been around this situation. I think it is a dead thing. I think it has got to be revitalized some other way. I haven't figured it out yet.

. MR. HOUCHEN: Tell them how they refer to it?

. THE WITNESS: Iran-Gate Forest. You can't believe the things the press has done to us out there.

. MR. HOUCHEN: They say it is swampland and no timber, and they are buying it.

. BY MR. SABA:

. Q What became of the $100,000 deposit with Grays Harbor Title Insurance Company?

. A Around January 5th the--

. MR. CULLEN: '87?

. THE WITNESS: '87.

Our project or option ran out and we did not, could not come to an agreement with them so we asked the money to be returned and the money was returned to Miracle, Harris, Miracle and Orr.

They took out some substantial attorney fees and sent the rest of it back to the Stanford Technology, or Stanford Trading, or back to STGGI.

. BY MR. SABA:

. Q I show you Exhibit 5-D, is a letter dated January 20, 1987. Could you describe the letter?

. A It is a letter from Harris, our attorneys, Harris, Miracle and Orr, to Albert Hakim, Richard Secord, and Royer. It says instructions received from Royer regarding $100,000.

. Q Is it your understanding that the contents of the letter accurately reflects the disposition of the $100,000 deposit it made with Grays Harbor?

. A Yes.

. Q I want to ask you a few questions concerning some companies and some other persons. Are you aware of a company called Brunati Company?

. A Yes.

. Q And are you familiar with its principal?

. A Yes.

. Q What is the name?

. A Amelio Brunati.

.. Q And are you familiar with a corporation called ADM?

. A Yes.

. Q And what does ADM stand for?

. A Archer Daniel Midland.

. Q What is your relationship with Mr. Brunati or Brunati Company?

. A Richard Secord and I have been looking into this company to maybe represent them here in the United States. They are a high-tech waste management company, and we have talked with them, at great length about being their North American distributor.

. Q Are you familiar with a corporation called Transworld Arms?

. A Trans?

. Q Transworld Arms?

. A No. Transworld Arms, no.

. Q Are you familiar with a company called Fourway Industries, Incorporated?

. A Yes, sir.

. Q Will you explain how you are familiar with this company?

. A American Arms, we brought American Arms into the Fourway to take a look at their weapons to see what it would cost for Fourway to manufacture that weapon.

. Q Who is we?

. . A I don't remember Secord or Dutton or--

. Q Who is Mr. Dutton?

. A Works for Mr. Secord.

UNCLASSIFIED

. Q When did you first--

. A Visited us to send them to that company.

. Q How did you become aware of Fourway Industries?

. A Somebody, Secord or Hakim or Dutton, said that they knew of a company that could possibly build that weapon.

. Q What weapon?

. A The American 180.

. Q And when did this someone mention this to you?

. A Four or five months ago.

. Q Can you be more specific?

. A Over what month?

. Q Yes.

. A Let's see, I would say the first of the year, February, maybe in there some time.

. Q And what is the weapon?

. A It is an automatic weapon that fires 22 rounds of ammunition.

. Q What did this someone tell you about this Fourway Industries?

. A I was told Fourway had the capabilities of doing this type of manufacturing.

. Q What was the proposal made to you in respect of Fourway?

. A None, just send Goffs in and see if this weapon, just a fact-finding thing, go in and see if the weapon could be made.

. Q Someone asked you to contact the Goffs?

. A No, I don't know what you are saying; someone, yes, yes, someone told me but I don't think that I contacted the Goffs on that situation.

. Q Who did?

. A I think Bob Dutton did.

. Q And did you and the Goffs meet with anyone from Forways?

. A I did not.

. Q Did you have any activity with Fourways?

. A No.

. Q What was your involvement?

. A With Fourways?

. Q Yes.

. A None. I was only waiting to see if they could make the weapon.

. Q Why were you contacted?

. A Why was--

. Q Why were you the one to be contacted by Fourways?

. A Well, Dutton said that he knew that they had done some defense work; had security there; it would be a good place to try to do it; we would like to do it on the East Coast.

. Q So it was Mr. Dutton who contacted you concerning

Fourways?

. A Yes, I think so.

. Q Your understanding was that Dutton was an employee of Stanford Technology Trading Group, Incorporated?

. A Yes.

. Q And that is in Vienna, Virginia?

. A Yes.

. Q And Mr. Dutton then contacted you approximately in January of 1987; is that correct?

. A Close.

. Q And he simply informed you that Fourway Industries can make the American 180?

. A No, he said, he didn't know, he wanted to know, he thought maybe that they could and that we wanted them to come in and discuss the possibilities of them making that weapon and what it would cost and try to make--

. Q Did he ask you to attend such a meeting?

. A No, I don't think so. I think I was going to attend the summary meeting but we never did get to that.

. Q When was that meeting to have been?

. A February, March, some time in there.

. Q Do you know if such a meeting took place?

. A I don't think a summary meeting ever did.

. Q Do you know if the Goffs, in fact, met with Mr. Dutton or anyone from STTGI concerning Fourway Industries?

. A I think they did.

. Q But am I correct in saying that you did ~~to~~ not attend such a meeting?

. A No.

. Q Other than what is a telephone call from Mr. Dutton, or was it a letter?

. A I don't know.

. Q How many times did Mr. Dutton contact you about Fourway Industries?

. A A couple, just making the arrangements to get the Gofs there.

. Q And then you contacted the Goffs?

. A Probably, yes, I probably talked to them a couple of times during that period of time.

. Q What did you say to them to interest the Goffs in Fourway industries?

. A Well, at that time, we had tried to rearrange the structure of this thing.

. Q what thing?

. A Of this American Arms problem. And, myself and a couple other business associates were going to try to reorganize American Arms, and we were going to try to get the weapon manufactured, and we would be responsible for the manufacturing of the weapon, and Stanford Technology would only access the market, they were no longer involved in any type of try to take over, or any reorganization, or putting any capital in or anything else, myself and my other business associates were going to do that.

. Q Do you know what the target, the production target was for the weapons?

. A What was the production target?

. Q How many weapons did they intended to produce?

. A There are all kinds of projections, some guys say we could sell this, some guys say we could do this, the knew group was going to try to build a few weapons and take them into the marketplace and see how many we could sell; it is easy to project. The best thing to do is build some and put them in the marketplace.

. Q I wish to show you a document which will be Exhibit 6.

[The following document was marked as Exhibit Royer-6 for identification:]

********** COMMITTEE INSERT *********

BY MR. SABA:

Q Are you familiar with this document?

A I am not, not familiar with the document, but evidently I may have gotten this. I may not have gotten this. I understand what all is there because I did get a special report on Dutton and--

Q And is it correct that on page 3 of the three-page document you are shown as having been copied?

A Yes.

Q Can you describe the document for us?

A It is an outline of Fourway's capabilities of manufacturing the weapon. It is an outline of Gof~~s~~f' response of trying to get something off the ground and get it going.

Q It is a memo to Mr. Secord from Mr. Dutton, dated January 12, 1987; correct?

A Correct.

Q Is it your understanding that Stanford Technology Trading Group International, on whose stationery this exhibit is typed, would only act as marketer for the product?

A That is correct.

Q Turning to page 2?

A Yes.

Q Can you explain the second bullet concerning a 120-day clock on 1 February 1987, for a production sample June

UNCLASSIFIED

1987? What was the intention of that timeframe?

. A When you start a project and you start you need to have a finish time and we felt that if we could get started by February 1 that by June 1 our first production sample should be ready.

. Q And you would expect that to occur by June 1987; is that correct?

. A Yes.

. Q Moving to the next bullet, the item on the same page, your understanding was that it was intended that there be a production run of 1,000 American 180-M-25, 3,000 magazines, 2,000 winders?

. A I don't know, that is not my understanding. That is what this says. I don't know.

. Q Was it your understanding there would be a run of a substantial number of 180-M-25s?

. A That is what this says. I am not saying that we would build 1,000 of those. I won't. That is what the report says.

. Q How many would you have expected?

. A Twenty.

. Q Why 20?

. A You can't eat those damn things, you have to sell them. So, I would say, build 20 of them for demonstrators, that is.

UNCLASSIFIED

. Q Where was it expected these would be sold?

. A Anybody who can legally buy them.

. Q Did you have any further connection with Fourway Industries?

. A No.

. Q In discussing the meeting with the Goffs that Mr. Dutton was proposing, what did you tell the Goffs?

. A You have to ask that again. I don't understand it.

. Q I am asking what you would have told the Goffs that might have induced them to be interested in the project?

. A This project?

. Q They did attend a meeting?

. A Yes.

. Q So you were successful in having a conversation with them which led to their having a meeting?

. A We were, at this point prior to the January meeting, were, myself and another fellow, was going to try to structure a complete buy-out of American Arms and just buy them out, buy the patent, buy the whole thing.

And they were, the Goffs were going to go to work for us as consultants, and we wanted, we told them actually to come to New Jersey to talk to Fourway, to see if they did know what they were talking about, see if they could act as consultants to build a weapon; and that is why they came.

. Q Who is ''us''?

. A who is ''us''?

''Us,'' referring to what?

. Q You said that a group that you referred to as ''us'' would acquire American Arms and that Goffs would work ''for us''? Who is ''us''?

. A A new company which would get headed--Frank Lucero was asked by me to go in and see if he could get this company restructured and if we could get it restructured we would go out and raise capital to buy this company out. So ''us,'' I don't know, it would be investment capital.

. Q Would this someone be Mr. Secord?

. A No, this would be from people right here in the United States that would invest in something like that. We had some people we thought might do that.

. Q If that was the case, why did the Goffs go to see Mr. Dutton and you did not participate in that meeting?

. A Because I was tied up. Dutton was wanting to, we told Dutton as part of the Stanford Tech and the market thing to take care of this thing out on the East Coast.

. Q Why would Stanford Technology wish to be involved?

. A To sell the weapons and to understand that this thing could work right. There is a working together relationship.

RPTS CANTOR

DCMN GLASSNAP

[8:00 p.m.]

Q Do you know a Nancy Morabia?

A Nancy who?

Q Morabia, M-o-r-a-b-i-a.

A I don't think I do.

Q Ron Martin?

A Maybe, Fourway, I don't know.

Q Would Martin have been involved in a purchase from or a shipment of weapons from American Arms?

A I do not know. I have no idea.

Q Do you know Mr. Martin, or do you know who he is?

A When you said Ron, I thought maybe there was a guy at Fourway by the name of Ron. Wait just a minute. If that is not him, then I don't know him.

Q Do you know a Rafael Quintero?

A No.

Q Do you know a Richard Gadd?

A No.

MR. SABA: I have no further questions for the moment.

MR. CULLEN: Could we take a break for a second.

[Recess.]

EXAMINATION BY COUNSEL FOR THE SENATE SELECT COMMITTEE

BY MR. HOLMES:

Q Mr. Royer, my name is Cameron Holmes. I am Associate Counsel with the Senate Select Committee on Secret Military Assistance to Iran and the Nicaraguan Opposition. .

I would like to go over a few details with you about the American arms deal. First I am going to hand you what is now marked as Exhibit Number 7 to your deposition and ask if you can identify that.

[The Following Document was marked as Royer Exhibit No. 7 for Identification.]

********** COMMITTEE INSERT *********

. THE WITNESS: Yes, sir. This is a waiver and termination of partnership between Don Marostica, Larry Royer and Richard Secord.

. BY MR. HOLMES:

. Q Titled ''Waiver and Termination of Partnership'', sir?

. A Yes.

. Q Drawing your attention to the last page, is that your signature?

. A Yes, sir.

. Q And that of Secord and Marostica?

. A I think that is Marostica's. I assume that is Secord's.

. Q You got an original of this for your file?

. A Yes, I think I have, not an original, but I have a copy of it, I am sure I do.

. Q And you discussed it with Mr. Secord and Mr. Marostica at that time?

. A Yes, I am the one that set the deal up, negotiated it.

. Q When was this document finally signed?

. A I would have to look. I don't know.

. Q It was in January of 1987, wasn't it?

. A Probably, yes.

. Q So up until January of 1987, you were still at least technically, although not in brotherly love, partners with Secord and Marostica?

. A That is the time it took to get it signed, yes, that is correct.

. Q And after that point in time, you and Mr. Secord by virtue of this agreement became the holders personally of all of the former assets of the partnership, is that right?

. A Yes.

. Q So the $30,000 note, for example, that American Arms still owed to Tri American Arms, the partnership, became the assets of yourself and Mr. Secord personally, right?

. A Yes, I guess so.

. Q And Marostica no longer had an interest in those moneys?

. A That is right.

. Q And the same would be true of the $50,000 that Ceretech owed the partnership, is that right?

. A That is correct.

. Q And those are your assets now?

. A Yes.

. Q So when you were dealing with Fourway Industries, you had a personal stake in the outcome of the future success of American Arms, because it was only through some future success that they were going to be able to pay back the $60,000 to you and Mr. Secord?

. A That is correct.

. Q You got into Fourway through Hakim and Secord, is that correct?

. A Yes.

. Q And they told you that they had had previous dealings with Fourway in the manufacture of out-of-production military parts?

. A I can't recall that that is what they said. I can't recall that that is what they said, no.

. Q Did you understand that that is what Fourway's business was?

. A Yes.

. Q They are sort of a specialty machine shop operation?

. A That is correct.

. Q They do custom jobs?

. A That is correct.

. Q Primarily in the out-of-production military industry?

. A That is correct, and that they had government security and as such would probably be an ideal company to talk to about building the weapon.

. Q And you stayed in touch with Secord because you had a financial interest in the Fourway project going forward?

UNCLASSIFIED

. A Yes.

. Q Did you understand that Fourway was also approached to manufacture the laser sight attachment to the American Arms weapon?

. A I don't know about the laser, no. The laser that American Arms had?

. Q A laser sight. Answer that question first. Were you aware of any discussions with Fourway about manufacturing any lasers?

. A No, I was only interested in manufacturing the weapon, not the laser. No, I was not.

. Q Did you know about any such discussions?

. A No, not that I can recall.

. Q So if Mr. Secord was engaged in discussions about manufacturing a laser sight that would fit the American Arms-180, it was without the knowledge of you?

. A Connected with Fourway?

. Q All right, answer the question first in connection with Fourway.

. A I am not aware of Secord or anybody talking to Fourway about making, fabricating any kind of a laser for the American.

. Q And since you made a distinction with Fourway, were you aware of his conversations with anybody to manufacture any laser sight?

. A I am aware that General Secord has been looking into manufacturing of a laser and developing a laser, but that is about all I know.

. Q Were you ever told that that laser or that any laser that he was looking into would fit the American-180?

. A Yes, probably. I don't think the laser has been developed.

. Q I would like to take you back to Exhibit 4 to your deposition, the hand-written notes. These notes were written by you, as you have testified before?

. A Yes.

. Q These were prepared as speaking documents for the meeting in Denver, isn't that correct?

. A I beg your pardon?

. Q You prepared these as reference points for the meeting in Denver that you had between yourself, Mr. Secord and Mr. Marostica in May, 1986?

. A Prepared in advance of that meeting?

. Q Yes, isn't that right?

. A I don't know. I do not know if it was before, after, during. I don't know.

. Q Let me ask you if it isn't true that you brought these to the meeting and showed them to Mr. Marostica at the Clarion Hotel in Denver in early May of 1986 with Mr. Secord.

UNCLASSIFIED

. A I don't know. I have no idea. Somewhere they showed up, but I don't know where we used them.

. Q So you have no basis on which you would dispute that assertion?

. A I have no basis to?

. Q To dispute that assertion.

. A That I had them in Denver?

. Q Right.

. A I may have, yes.

. Q After the meeting in Denver, you had some written and spoken conversations with Mr. Hakim about the progress in Mr. Marostica's search for business opportunities, did you not?

. A Yes.

. Q And thereafter, on about June the 23rd, 1986, you met with Hakim and Secord in Vienna, Virginia.

. A And Marostica.

. Q And Marostica?

. A Yes.

. Q Was anybody else present?

. A I don't think so.

. Q It was yourself, Secord, Hakim and Marostica?

. A I think that is all was there.

. Q And one of the purposes of that meeting was sort of preparatory to the meeting in Washington with Mr. Zucker?

UNCLASSIFIED

. A Correct.

. Q And you discussed the various opportunities that were then on the table as partnership opportunities, is that right?

. A That is correct.

. Q After that meeting, Mr. Hakim prepared a memorandum and copied it to you describing those opportunities, didn't he?

. A Yes.

. MR. HOLMES: I am handing you what is marked as Exhibit 8 to your deposition.

. [The Following Document was marked as Royer Exhibit No. 8 for Identification.]

********** COMMITTEE INSERT *********

BY MR. HOLMES:

Q Is that the memorandum of Hakim memorializing the discussions in Vienna, Virginia on June, 23, 1986?

A Yes.

Q Did these points accurately reflect the conversation there in Vienna, Virginia?

A I beg your pardon?

Q Did this memorandum accurately reflect the conversations that the four of you had had in Vienna, Virginia?

A That is correct.

Q You have had an opportunity to read the entirety of Exhibit number 8 now?

A Yes.

Q And it does accurately reflect the meeting of June 23?

A Yes.

Q I gather from this document that the intention of that meeting was to use the partnership, Tri American Arms, as sort of a holding company. Is that the terminology that was used?

A Yes, from that document Marostica decided some type of holding company would be started.

MR. HOLMES: I am handing you what is marked as Exhibit Number 9.

[The Following Document was marked as Royer Exhibit No. 9 for Identification.]

********** COMMITTEE INSERT *********

BY MR. HOLMES:

Q And with the exception of the handwritten notes at the bottom of the page, I will ask you if you recognize that as a diagram prepared by Mr. Dutton to reflect the same concept of holding company at about the same time, June 23, 1986.

A I don't know if I have ever seen this. I can't say that I recognize that.

Q You don't recall it?

A I don't recall it.

Q Let me ask you if, after having read it, it accurately summarizes the discussion as to the structure of what was being talked about at the June 23 meeting?

A Yes, basically, yes.

Q The structure as it was then planned was that the so-called holding company, titled STTGI Holding Company by Mr. Dutton, but in reality named the Tri American Arms Partnership, was to have general control and oversight over the four projects under discussion, those being American Arms, Inc.; Ceretech, International, Inc.; Tri Red Cedar Associates, Inc.; and Bio Fine Pharmaceuticals, is that right?

A Yes.

Q Mr. Marostica is assigned the comptroller role in each case, is that right?

. A That is right.

. Q And you are in the sales and marketing role in each case, is that right?

. A Right. Well, yes, okay.

. Q And Mr. Hakim is assigned domestic international distributors for each of the four projects.

. A That is correct.

. Q With regard to Bio Fine Pharmaceuticals, was there a business plan prepared and submitted by Bio Fine Pharmaceuticals that you had access to through Mr. Marostica?

. A Yes. I had and still have a business plan.

. Q You didn't bring it with you?

. A No, because I testified earlier that I presented that to Albert Hakim to look into an investment situation for it.

. Q I understand.

. A And so I didn't bring it. They have nothing to do with Bio Fine whatever.

. Q Bio Fine business opportunities is now in your mind no longer?

. A That is correct.

. Q At the time that it was under consideration as of June 23, 1986, when this diagram was prepared, and this memorandum, Exhibit Number 8, was prepared listing it as project D, the business plan contemplated a substantial investment in Bio Fine, in order to obtain a return on capital, is that right?

A If you bought new machinery, yes.

Q The plan at the time was to buy new machinery, obtain a building and a lease, pay salaries for technicians, doctors, the people necessary. Is that right so far?

A That is correct.

Q And before any return on investment was to be realized, the total investment of about $2.4 million was contemplated, is that right?

A That is right, with that plan.

Q Yes.

A That plan had a lot of fat in it.

Q I understand it wasn't implemented.

A Yes.

Q As to Ceratech International, Inc., it also had a business plan, is that right?

A Not very much a business plan, no.

Q It didn't have a big fat formal business plan like Bio Fine, but it had a notional plan among the parties at the meeting on June 23rd.

A That is correct.

Q And it also required a certain investment of capital prior to any realization of return, is that right?

. A That is right.

. Q And its investment of capital was to run about $1.5 to $2 million, is that right?

. A I don't know that it was that much. I really don't. I think that--

. Q What figure do you recall as the total outlay before a return on investment started to defray the necessity of additional--

. A As I stated earlier, I was never for this project, and these guys jumped around from ''X'' number of dollars to triple ''X'' number of dollars, and if we had ever really gotten into it, I think it could have been done for $400,000 or $500,000 to get it really started.

. Q What was the number that was being discussed?

. A Oh, the Ceretech people were wanting the moon. They wanted a lot of money.

. Q What was the number that they wanted?

. A A couple million probably, $1 million-and-a-half in there somewhere.

. Q Now the Tri Red Cedar project is another name for what you have been calling the wood project or the Quinault timber project, is that right?

. A That is right.

. Q And American Arms is what we have been discussing?

. A Yes.

. Q Drawing your attention on Exhibit 8 to paragraph number one, noted ''Project A'', that is a one-paragraph discussion of American Arms, isn't it?

. A That is correct.

. Q And Mr. Hakim, as the writer of this, has listed out as American Arms products the American-180 system, that is the automatic weapon we have been discussing, right?

. A That is correct.

. Q Laser lock sight?

. A Correct.

. Q That is the sight that fits on the machine gun?

. A Manufactured by American Arms.

. Q Security briefcase.

. A Yes.

. Q That is the briefcase that you have pointed out--

. A That is correct.

. Q --in Exhibit 1 previously, is that correct?

. A Yes.

. Q And also the quad mount 180 weapons system.

. A Yes.

. Q Now, the quad mount 180 weapons system is the one that you have mentioned earlier, is that right, that you mentioned earlier today?

. A Yes, I think I did, yes.

. Q Handing you what is marked as Exhibit Number 10, I will ask you if you can identify these selected pages as having come from the promotional materials given to you and Mr. Marostica by the Goffs in connection with the products of American Arms.

. [The Following Document was marked as Royer Exhibit No. 10 for Identification.]

********** COMMITTEE INSERT *********

THE WITNESS: Nope, I have never seen this piece.

BY MR. HOLMES:

Q What was your understanding of what the quad mount system consisted of?

A Well, I have seen it, but I have never seen this piece of literature, but I understand what the quad is. It is four automatic weapons that will fire simultaneously.

Q Do these pages accurately depict what you have seen as the quad mount system of American Arms?

A No, it is completely different. That part is all completely different, as it is today, what I have seen. That drawing does not look like what the machine looks like.

Q What is different about it?

A It looks to me like it is encased, and the one that I have seen is not encased. There is no case or video camera. No, it doesn't look at all like what I have seen.

Q What did you see?

A I just saw four automatic weapons mounted on a tripod that, once fired, they fire all at once or one at a time or two at a time, three at a time, nothing like any of that.

Q Drawing your attention to page number six, the skeleton of the system, is that what they looked like that you saw?

A This looks to me like they are lined up all on the same level, right?

Q It appears to be that way to me.

A The one that ~~is now~~ I saw made is two up on top and two out on the side.

Q I see, so the configuration is different.

A The configuration is different. The prism is about the same.

Q This is the operational guts of an American-180?

A Yes.

Q And what the quad mount is, it is four American-180s lined up in parallel, right?

A Correct.

Q The difference that you are seeing is that these are all next to each other. You are saying that they are now two on top and two below?

A Yes.

Q And you have never seen a system that was actually encased in this nice-looking casement?

A No.

Q The one now manufactured is to be used in the same kind of applications, isn't it, as mounted to a permanent structure on page 14?

A Or a moving, a mobile.

Q So one application is mounted to a permanent structure, and another possible application is mounted to a moving vehicle?

A Or an airplane.

Q You were nodding. Is that a yes?

A Yes.

Q And this is an all-terrain vehicle on page number 9. Is that something that is still contemplated as a possibility?

A A lot of imaginary work there. I don't know anything about it.

Q You showed us a brochure of a small craft. I am going to hand you what is now marked as Exhibit Number 11, and an internal portion that is now marked Exhibit number 11-A.

[The Following Documents were marked as Royer Exhibit No. 11 and 11-A for Identification.]

*********** COMMITTEE INSERT *********

BY MR. HOLMES:

Q First let's talk about Exhibit Number 11 in its entirety. This is your American Arms file that you brought with you, is it not?

A That is correct.

Q And it contains the various documentation that you have kept relating to the American Arms project?

A That is correct.

Q Exhibit Number 11-A is a brochure contained within Exhibit 11 depicting a one-manual--light aircraft, is that right?

A That is correct.

Q And could you explain what this brochure is doing in your American Arms file?

A American Arms was manufacturing a quad mount machine gun that they say would mount on the wing of this particular unit, and consequently when I was in Salt Lake City, they gave me one of these brochures. It was just something that showed a potential of what you do with the quad mount.

Q And American Arms is examining, I suppose, the wing structure of vehicles like this, so that they can figure out how to attach it and operate it from a vehicle?

A I imagine, but I don't know what American Arms is doing any more. I don't even know that they are in business.

. Q At the time they explained this to you, this is the Gofs talking to you?

. A Yes.

. Q I gather this was at your first meeting in Salt Lake City in April or May of 1986?

. A That is correct.

. Q And you brought this to the attention of Mr. Secord and Mr. Marostica?

. A Marostica--well, yes, yes, I took it to the attention of Secord and Marostica was with me.

. Q Did you have occasion to discuss the possibility of marketing the quad mount later on with General Secord?

. A General Secord never did think much about the quad mount.

. Q Didn't you talk about giving General Secord the right to push the quad mount with the U.S. Army to develop it?

. A Maybe talked about it, but he shut it off immediately. He said he never did become interested in it as a quad.

. MR. HOLMES: Let me show you what is marked as Exhibit Number 12.

. [The Following Document was marked as Royer Exhibit No. 12 for Identification.]

*********** COMMITTEE INSERT *********

UNCLASSIFIED

BY MR. HOLMES:

Q Does that refresh your recollection about discussions that you had with Mr. Marostica with regard to having Secord push the quad mount system with the U.S. Army?

A Let's see, what does that say? ''Give General Secord the right to push through the proposal.'' What is that, proposal to the U.S. Army to develop--that is not my writing. I don't know anything about it.

Q Isn't it true that General Secord actually contacted the U.S. Army and asked them about the studies that they had done of the American-180?

A I don't know if he contacted the U.S. Army.

Q Who do you know that he contacted?

A I don't know, I could not name it, but I think that he at one time talked to someone who tested the weapon. Whether he was a U.S. Army personnel or who he was, I don't remember that. I can add to that that there was a report written by someone who tested the weapon. Maybe that is all, the extent of how far we went with it.

Q Did you keep in touch with Mr. Secord after you had become aware of the ATF raid, about the future of the American Arms project?

A Constantly.

Q Did some of your communications take the form of telexes?

. A Probably.

. Q And did he reply by telex on occasion?

. A Probably.

. Q Where are those telexes now? The ones that you received from him and sent to him?

. A I would have them in my file, telex file maybe, incoming, outgoing files.

. Q Would you be good enough to supply those to the committee after you arrive back home?

. A Sure.

. Q I hand you a collection of telexes now marked as Exhibit Number 13, and ask if you can identify those telexes back and forth between you and Mr. Secord, between July of 1986 and October of 1986.

. [The Following Documents were marked as Royer Exhibit No. 13 for Identification.]

********** COMMITTEE INSERT *********

THE WITNESS: Yes. The first one, July 23, '86, I am reporting to Secord a proposal by American Arms to finish up a certain amount of semiautomatics, and to manufacture some magazines, and that we would have to try to invest ''X'' number of dollars. We didn't have the money so we decided not to go along with the project, and also talking about waiting on the land bank to see about their side of the commitment.

The next one, July 25, I say I see clouds on the horizon with American Arms. I am trying to get a good working relationship with the Goffs. I am trying to get security of the 291 weapons to protect our $60,000 investment, and I am trying to get the licensing rights, and I was working on that, trying to get ourselves in a secure position.

BY MR. HOLMES:

Q Licensing rights would have been of use to Fourway Industries, is that correct?

A Oh, this is way before Fourway ever even was ever mentioned.

Q The idea of getting the licensing rights was born before the idea of going to Fourway, is that what you are saying?

A Yes. You needed the licensing rights before you could really move with it. We had to get control of what company if we were going to do anything with it. Now reorganization--

Q You are referring now to the fourth page of Exhibit Number 13, for the record.

A Yes. I brought in a man by the name of Frank Lucero, who has--his business is buying and selling and reorganizing companies, and he and I worked together on a lot of projects, and I wanted him to take a look at this profound mess that American Arms was in and give me an idea of what it was going to take to get this thing restructured, and this was his report, and it was a pretty bleak report. It was going to cost a lot of money, a lot of things. We had to go at it in a different direction, and so this was the beginning of our bailout of American Arms. The fifth one--

Q Excuse me, that is the fourth page, I believe.

MR. HOUCHEN: Yes, that is right. The last one was actually the third.

THE WITNESS: Okay, this is the fourth. I have to read this one. This, again, is another report from Lucero to me and for Secord, what we have got to do if we are going to try to go ahead and do anything with American Arms.

BY MR. HOLMES:

Q This is dated what date, sir?

A I don't know. October, the 28, 1986. If the production was right, you could produce and sell these things, it is a very lucrative venture, but after you look, and you look at the numbers and things, you think okay, now how can we get into a business like this with a very minimum amount of capital involved, and test the market?

. Q You were looking at this point at strictly the international market, is that true?

. A That is right, except the semiautomatic. There could be a market here in the United States for the semiautomatic.

. Q You didn't even have Fourway look at it. You didn't even have that possibility.

. A Of what?

. Q Semiautomatic.

. A No, I think we only looked at the automatic at that time. You have to first find out the reason we had Fourway, what is it going to cost to manufacture the weapon? Where can we get 20 of them made to go out into the marketplace and test the market? That is what I wanted to do.

. Q Who was Frank Lucero to you?

. A Frank Lucero is a man that I use as a business consultant to help me raise capital. He is a venture capitalist, and a good man, knows how to look into these situations. That is basically why we bailed out of this.

. Q Where did you first meet Frank Lucero?

. A Through the machinery business, equipment business.

. Q What is his own business?

. A Well, what he is, I would call him a venture capitalist.

. Q Does he have a business that he goes under?

. A Basically not any more. I think he sold everything that he owns right now. He will buy a company, either get it on its feet and sell it, or he will buy a company and liquidate it.

. Q What is WUTCO?

. A I don't know, something in Georgia. I think that is something of Western Union.

. Q Where does Mr. Lucero reside?

. A In Pennsylvania.

. Q Where in Pennsylvania?

. A That is close to Harrisburg, some little town out there. I think the company that he has almost finished with right now is located at Myerstown, Pennsylvania.

. Q Isn't he involved with the Brunadi deal?

. A No.

. Q Have you been involved in other business arrangements with Mr. Lucero in the past?

. A We are getting involved in some, yes.

. Q What are they?

. A One is the liquidation of a plant that he has up in

Myerstown, Pennsylvania, that he owns. I am going to liquidate that. That is basically it right now. I am getting tired.

. The other one he and I are going to try to structure, we are going to try to put that thing together, and we have worked on that. I think we can do it if we don't get too much more press.

RPTS THOMAS

DCMN PARKER

[8:45 p.m.]

BY MR. HOLMES:

Q And Mr. Lucero was discussing entering that business as a financier, I assume.

A That is right.

Q Not as an operating person.

A No, to help raise the capital for it.

Q Let me show you what has been marked as Exhibit Number 14. This is a Telex to you from Mr. Lucero, dated October 30, 1986. The SLC operation he refers to is the Salt Lake City operation; is that correct?

A Yes.

Q This is the American arms deal.

A Yes.

Q And when it refers to the second page of this document to taking it off shore, had you discussed that possibility with Mr. Lucero before?

A Yes, we had.

Q Was that in connection with the possibility at this point in time of having Fourway Industries involved?

A No, we wouldn't have taken it off shore if we were going to have Fourway do it. There is a possibility you could have the thing made anywhere in the world.

. Q I would like to refer you back to Exhibit Number 6. Does it refresh your recollection to know that Mr. Lucero has been copied by Mr. Dutton in this memo to Mr. Secord.

. A that is right because I have brought Lucero into the picture to look at the thing and see if we can make it fly so he is involved in looking strictly as a financial consultant telling me what to do, how to do it.

. Q Mr. Lucero refers to a plant in Latin America in this telex, Exhibit Number 14. What discussions have you had with Mr. Lucero about a manufacturing capability in Latin America.

. A None in Latin America, passing comment, nothing. As far as I am concerned this thing is dead, this American Arms thing.

. Q Is that true also of Mr. Lucero?

. A I think that, yes, I think so. I don't think that we are going to do anything with American Arms, it can't be revived. There is too much debt.

. Q When Mr. Lucero wrote to you, ''I would suggest parts made off shore in a country like Brazil where I have a plant now, or lower western Europe,'' what did you take that to mean at the time?

. A I take it to mean that you know if we are going to do it we can either do it here in the United States or we can if we are going to do it we can go off shore to Brazil or to wherever and have the weapons manufactured.

. Q What plant did Mr. Lucero have that he referred to in Brazil?

. A He has a food processing plant.

. Q It has a machining capability.

. A No. No.

. Q It is capable of making parts.

. A No, Brazil has a machine capability, but not his plant.

. Q I see. So he was suggesting that you go to Brazil not because of his plants, but because he had contact.

. A He had contact in Brazil, right.

. Q It goes on to suggest that for U.S. dollars, $500,000, approximately $250,000 plus $250,000 over time, plus $1 million for a new company, about $200,000 cash plus $800,000 required over a year which would include line of credit of about $200,000, investment would be $1.5 million, cash needed about ~~point~~ $.5 million.

. A That is correct.

. Q Are these the terms that you understand that you and he were interesting in trying to salvage American arms on October 30?

. A That is what it was going to take at that time.

. Q At that time this point in time Mr. Secord is fully aware of all these negotiations.

. A Yes, sir, but--

. Q As a matter of fact, these records were from Mr. Secord's office.

. A He was, because if we ever did get revitalized we wanted Secord to do the marketing.

. Q You were copying Secord with the discussions between you and Mr.--

. A I had to use everybody to try to advise how to get it. We got $60,000 invested and we wanted to try to recoup it some way, so I wanted Mr. Secord to keep on the market end and Lucero to figure out how we could get the thing funded, and that is basically why I was keeping everybody up to speed.

. Q Okay. I had a few questions as we went through your testimony that I would like to revisit for a moment.

. You mentioned a trip to Europe that you took with yourself and a female friend and Mr. and Mrs. Secord in 1983.

. A Mr. Secord.

. Q How about Mrs.--

. A No.

. Q Just Mr. Secord?

. A Yes.

. Q Okay. What places were visited on that trip?

. A London, England and Italy.

Q That was a five-day rip?

A Yes, basically.

Q Was Mr. Secord on vacation or was he working?

A No, he was on vacation, and I invited him to go, and I just invited him to go, wanted him to go, wanted to take him as I said in previous testimony. I was wanting to see if he could work out something with him to represent us in some countries selling machinery.

Q Was Mr. Secord with you at all times on that trip?

A No, he left for a day. He stayed behind in London for a day, I think, and then he met up--we met up again in Italy somewhere, Rome or--

Q That was the next day?

A Next day or day after, something like that.

Q So he was with you?

A Most of the time.

Q Four of the five days?

A Yes.

Q Did Mr. Secord rely on you to finance this trip?

A Yes, I financed that trip.

Q I gather you took it as a business expense?

A Yes, I offered to do it.

Q And you would have records relating to the trip, I assume.

A Yes.

Q Is it possible that that trip was in April of 1983 and not October of 1983?

A I don't think so because when I came back, I came back and left right from New York and went to Minnesota to an auction. It was colder than billy hell. I think it was in the fall. I don't believe it was in the spring. I am almost sure it was in October.

Q From what point in the United states did you depart?

A Newark.

Q Newark?

A Yes.

Q And you left with Mr. Secord?

A Yes.

Q On the same plane^

A Yes.

Q And you arrived back in which airport?

A Newark.

Q Mr. Royer, you mentioned a fish meal business that you and Mr. Marostica were involved in. I wonder if you have heard of a business known as Grain Feed Fish Limited.

A No.

Q Have you ever discussed with Mr. Secord the possibility of either of you investing in a business that engaged in the farming of fish?

. A Secord had asked me on occasion what would it cost to put up something like that, but very vaguely, nothing, no serious negotiations or anything at all.

. Q What negotiations were there? You said there were no serious negotiations? Were there any negotiations?

. A No. In fact, what would it cost to--I was building a plant in Sterling and Secord said to me, ''What does a plant like that cost?''

. Q What period of time are we talking about?

. A When I was building the fish plant in 1986, 1986, the spring of 1986, what would something like that cost, and I told him and that was about the end of it.

. Q Do you know whether he ever visited any other fish farm businesses with an eye toward investing?

. A No, I don't know.

. Q The money that Mr. Zucker obligated CSF to supply to the timber venture, the $5 million, three-year obligation, what was the business contingency plan in the event that the obligation caused somebody to rely on the obligation and then the obligation was withdrawn?

. A Back up. Do that again.

. Q Suppose Mr. Zucker had decided in midstream he didn't want to go through with the deal and the Federal Land Bank then ~~as~~sued you and SRH, what was your business contingency plan to defend yourself from that possibility?

. A You are saying if we got halfway in the project and Zucker backed out, and--I don't understand. In other words, if he committed the money, we were in the project. It could self-liquidate it out.

. Q If he spent some of the money and then changed his mind, what protected you from a law suit by the Federal Land Bank for breach?

. A That is you would have to talk to Miracle and Orr about it, I don't know.

. Q You don't know.

. A No.

. Q It was never discussed.

. A Never discussed.

. Q There was nothing in writing that protected you from that possibility.

. A I don't think so. I don't know.

. Q The money that Zucker provided to Secord for the first $5,000 American 180's, what was the interest rate on that money.

. A I don't know. I do not know.

. Q Did you ever discuss it?

. A No, I don't know.

. Q Was there any security for that investment by Zucker and Secord?

. A I don't know.

. Q You never had discussed that with Secord or Zucker.

. A No. Hakim would know that.

. Q Is there any written document that guaranteed Secord's repayment to Zucker of that money?

. A I do not know.

. Q You never discussed that.

. A No.

. Q As to the $100,000 offer necessary in the Wood project, was there an interest rate involved in the lending so-called of that money by Zucker to the project?

. A I do not know.

. Q Was there any document that styled that a loan?

. A I don't now.

. Q Was there any guarantee on paper that that loan would be repaid to Zucker?

. A I don't know.

. Q None of these things were discussed.

. A The repayment, no, I don't think there was--because we sent the money back to STTGI.

. Q What actually happened, it went back to STTGI?

. A Yes.

. Q So in fact Zucker didn't get his money back.

. A That is right, I don't know. As far as I know it went back there and what happened to it after that I don't know.

. Q And as the one-third interest holder in SRH, you were not concerned that SRH had sent one, somewhat less than $100,000 to a third party and not back to the person who had originally loaned it.

. A I was taking my instructions from Hakim what to do.

. Q You never discussed that with Zucker.

. A Hakim or me.

. Q You never discussed that with Zucker.

. A No.

. Q So you understand that Hakim spoke to Zucker, in other words.

. A I understand that Hakim spoke for Hakim. He said, ''Send it back to Stanford Technology.''

. Q You started off with the assumption--

. A I don't know.

. Q With the understanding that as Zucker [redacted] then you took Hakim's word for the proposition you should send it to Hakim.

. A If Hakim told me send it there, that is where I said to send it.

. Q So in--

. A Hakim can handle Zucker.

. Q That is my point. You were leaving Hakim to handle Zucker.

. A Yes, sir.

. Q I assume what Hakim said went for Zucker, too.

. A That is right.

. Q What was the written understanding by which you, Mr. Secord and Mr. Hakim were going to split the proceeds of the STH Inc., one-third, one-third, one third?

. A Written?

. Q Yes.

. A A gentleman's hand shake.

. Q Was there any stock in that company ever sold.

. A Sold? No.

. Q Was there any issued?

. A I don't know. I do not have stock certificates, no. I don't think we got around to that.

. Q You did style it a corporation as opposed to a partnership.

. A Yes, sir, it is a corporation, and the stock--Miracle and Orr would have to tell were that stock was. I don't know where it was. I don't have it.

. MR. HOUCHEN: The general rule when lawyers set up a corporation like this is they issue the stock and probably keep it in the stock book without delivering it to the owners.

BY MR. HOLMES:

. Q On the record they would certainly discuss it with you when they decided to issue the stock and have you have one-third of it.

A Yes, sir.

Q They didn't do that in this case.

A They discussed it that we would have a third, third and third.

Q Of the stock.

A Of the stock.

Q So it was planned to have stock.

A Yes.

Q That was the mechanism by which you were going to divide the proceeds?

A That is right.

Q That was what he--

A As he said, the stock is probably in the stock book in Washington.

Q You didn't have any employment contract with SRH?

A No.

Q Your interest was entirely--

A Stock.

Q A stockholder's interest.

A That is right.

Q Yes.

A Yes, sir.

Q Now you have referred me to Mr. Miracle for the possibility that there are records relating to SRH. Are you willing to waive the attorney/client privilege on behalf of yourself and SRH so we can inquire of Mr. Miracle what it is that SRH has?

MR. HOUCHEN: I don't know it is his privilege to waive. He is a stockholder. He is not the stockholder. In fact, I wouldn't know as I sit here whether he has any stock although I believe he does have.

BY MR. HOLMES:

Q As a communication between yourself and Mr. Miracle, are you prepared to waive the attorney/client privilege so we can ask Miracle about those communications?

A I don't know. He would have to answer that.

MR. HOUCHEN: I don't think so. I don't think that they would do you any good, to be truthful. I think you would have to have a waiver of all stockholders before Miracle and anybody in the firm would talk to you or divulge any records. Larry is willing to if the others are.

THE WITNESS: Yes, sir.

MR. HOLMES: You are aware from watching national television what our position is on the others.

how. No, what is your--

MR. HOLMES: Secord told us no thanks.

THE WITNESS: You know I think everything on the corporation is right here in this file.

MR. HOUCHEN: That isn't quite so, so don't say something that isn't so. The truth of the matter is you understand there are lawyers who start a corporation, and they keep the export books and they keep all your stuff, and they never even let you see it and that is probably what happened out in Washington.

. You don't have the export book, right?

. THE WITNESS: All I have is this paper.

. MR. HOUCHEN: Did you ever see them?

. THE WITNESS: No.

. MR. HOLMES: For the record, you are referring to the file exhibit 5-D.

. THE WITNESS: Yes.

. MR. HOLMES: I am interested not only in records which apparently stocks not in this file, but also in communications which by their nature are not in this file.

. THE WITNESS: I understand.

. BY MR. HOLMES:

. Q You are declining to waive the privilege?

. A I would do it if the rest would.

. Q You testified that when the Iran-contra investigation began, everything stopped. I would like to know what communications you had with Mr. Secord about the investigation and when you first had such a communication.

. A Ask the first part of that again.

. Q All right. I am referring you back to part of your testimony earlier, in which you said that when the investigation started everything stopped, you were referring to the Wood deal.

. A Yes, sir.

. Q I would like to know when you first discussed the investigation with Mr. Secord.

. A I never did really dicuss the investigation with him. I was more concerned with how we were going to get this with Zucker pulling out, how we were to get it financed, and I was really--have not really been concerned with the investigation until you guys got me in here. I have been watching it on television. I was not concerned. I was only concerned in trying to get this company restructured and how we could get it financed again.

. That is why I brought Lucero into the act.

. Q I want to know when you first had a conversation with Mr. Secord in which the fact of the investigation was brought up.

. A The fact of the investigation?

. Q What was going on there was such a thing.

. A It was just common knowledge. I don't know whether he asked me, whether he told me the investigation. Everybody in the world knows the investigation is going on.

. Q Start from the other direction. You have talked about the fact of the investigation with Mr. Secord, have you?

. A Yes.

. Q He has been in constant communication with you in relation to at least to these business dealings over the last since--

. A No, sir.

. Q since May 1986.

. A No, sir. We have never discussed anything about the investigation of any of this stuff, none of it.

. Q Let me get you straight. You are telling me that in spite of all the times you have talked to Mr. Secord on the phone, and in person since May of 1986, that it has never come in these conversations that he was under investigation in the Iran contra--

. A Constantly, sure. We know--I knew he was under investigation, sure.

. Q Taking the first such conversation, I would like to know when it took place.

. A I have no idea when the first--when it started. I mean, he is a friend of mine and I knew that he was being investigated. Everybody was, but I don't know what it--

. Q When did you first find that out from him, when did it first come up?

. A I have no idea when it first broke. That would be whenever press men in the United States started talking about it and everybody started asking questions.

. Q Approximately when was that to the best of your recollection?

. A I imagine everyone seemed it seemed like a long time ago. I don't know when it was. I don't know what you are--I would be more than happy to answer if I knew what you are wanting me to say, what you want me to answer.

. Q I want you to tell me what conversation you have had with Mr. Secord about this investigation.

. A Very, very, very little, honestly. You guys have had Mr. Secord here. Even his wife can't talk to him. I haven't talked to him since. I am more interested in keeping the projects afloat.

. Q There was a time in September 1986 when you had under discussion in Exhibit 5 a deal with Federal Land Bank in which the figure, $5.7 million, was being discussed; isn't that right.

. A Yes, sir.

. Q At that point in time you, Hakim and Secord were in the process of getting a Canadian bank account with SRH through Miracle; is that right?

. A That is correct.

. Q After that time, you had a then-current loan commitment from CSF to cover that deal, right?

. A Correct.

. . Q Then there came a time after that, in which the loan commitment was no longer operative, Mr. Zucker had withdrawn it, right?

. A That is right.

. Q How did you first learn that Zucker's reason for withdrawing that was the Iran investigation?

. A How did I learn that?

. Q Yes.

. A I think Secord probably told me.

. Q Well, I wonder if you could tell me about that conversation.

. A No, no. I would say that it would go something like this. Look, Zucker is backing out, because of the Iran controversy. He is ~~making~~ backing out, and so here we sit. Where do we go from here?

. Q That the first time you heard about the Iran controversy from Mr. Secord?

. A Probably right in there.

. Q When did it take place?

. A I don't know in what--this is 1987. It took place when it blew, when was it?

. Q Let's look at Exhibit 5-C. Exhibit 5-C is a letter dated November 7, 1986, and it refers to a draft of a loan commitment agreement by which CSF agrees to loan up to $5 million to SRH; is that right?

. A Correct.

. Q So at this point in time, November 7, 1986, the loan commitment was in tact and you had not yet heard from Mr. Secord about an Iran investigation; is that right?

. A I would assume that is correct.

. Q On January 5th, 1987, the $100,000 deposit, what was left of it, was returned to STTGI; is that right?

. A That is correct, right after January 5th.

. Q So we have got it between November 7th and January 5th.

. A December is probably when it went sideways, sometime in December.

. Q Approximately when?

. A I don't know.

. Q Do you remember reading anything in the newspapers about Mr. Secord prior to your conversation with him on the phone about the Zucker loan commitment?

. A Newspapers?

. Q No, do you remember reading anything in the newspapers about the Iran-contra investigation linking it to Mr. Secord prior to the time that Mr. Secord told you that Zucker was pulling out?

. A I don't know. I really don't know.

. Q What did Secord say when he told you Zucker was pulling out? What was his explanation?

UNCLASSIFIED

. A It was very vague. It was like he just said because of the Iran problem Zucker is pulling.

. Q This was pretty important? This was a pretty important time?

. A Yes, sir.

. Q You were standing to make several million dollars from it.

. A Yes, sir, if Richard Secord says that this guy is pulling out, why should I set there and say why? I have got a girl friend like that who wants to know every little detail, why?

. He says he is pulling because of the Iran situation. It is going to be impossible to make a deal with him, and I said, ''Okay, I understand.''

. Q Why would Mr. Zucker care whether Mr. Secord was under investigation?

. A I don't know.

. Q Did Mr. Secord explain that to you?

. A No.

. Q Why would the Quinault timber investment be any worse because Congress is investigating some contras and some missiles in Iran?

. A I don't know. I do not know.

. Q He never told you why?

. A No, and I do not know.

. Q What connection is there between Mr. Zucker's $5 million and the Iran investigation?

. A I don't know.

. Q Did Mr. Secord ever explain that to you?

. A No.

. Q Did you ever ask him to explain it to you?

. A No.

. Q Is that because you assumed it was the missing money?

. A Beg your pardon?

. Q Is that because you assumed that $5 million was some of the missing money?

. A Me? Assume that?

. Q Yes.

. A No, I didn't. What missing money? What missing money? No, no. I got--we had a loan commitment from CSF, evidently.

. Q Mr. Royer, are you aware that CSF has an equity position in Fo$\overset{u}{\wedge}$rway Industries.

. A No.

. Q Did you ever discuss the equity holders in Fo$\overset{u}{\wedge}$rway Industries with Mr. Secord?

. A No.

. Q With Hakim?

. A No.

. Q Did they ever tell you they were part owners of CSF?

. A I think Dutton had told me at one time that Zucker was involved in it, but I didn't know that.

. Q Mr. Hakim speaks for Mr. Zucker, correct.

. A In some matters, or used to. I don't know if they do now or not.

. Q I suppose we will have to find Mr. Zucker to find out.

. A I imagine you have to ask Mr. Zucker and Mr. Hakim.

. Q Now, if you were in a joint venture, how did you see your position in the Fourway's operation?

. A None.

. Q So you were simply helping along in order to help get your investment in American arms back.

. A If we restructured American arms we needed someone to manufacture the weapons, whether we manufactured it here, or off shore, Thailand, Korea, Brazil or where, Fourway was one of possibilities of manufacturing the weapon.

. Q As of that point in time you were still engaged in the hope tat least that SRH and the Quinault timber deal would go through; is that right?

. A Yes.

. Q So you were--

. A I am still hopeful I can get it put back together.

UNCLASSIFIED

. Q You were partners in a manner of speaking with Secord and Hakim through the device of the one-third, one-third, one-third share holding.

. A In the Hood deal?

. Q In the SRH.

. A Yes, SRH has nothing to do with Fourway.

. Q That was my next question. Why wouldn't Secord tell you that Zucker had an equity interest in the company that you and he are contracting with to try and make back your and his personal investment?

. A I think Dutton told me--let me say this. Richard Secord was very busy at those times and there is a lot of times we didn't discuss those type of things. I didn't care. I could care less who made that weapon. As long as we were going to buy it, I wanted somebody to make it, and it was said to me that Fourway ought to be a company. I said, ''Fine, let's get them out there.''

. We went out there and took a look at--

. Q STTGI was still going to be in a market position under the Fourway arrangement, wasn't it?

. A Whoever manufactured it, it, STTGI, would be the manufacturer or would be the marketer.

. Q They are still going to have the same market arrangements.

. A That is right.

. Q Referring you back to Exhibit Number 4 to your deposition, on page 3 you previously testified that this 25 percent commission based on the one thousand per unit notation, is your notation that STTGI was going to be getting 25 percent commission; is that right?

. A Yes, sir, that is what it says.

. Q This notes out a $1,372,000 commission to STTGI in the event that this particular number of units described to the Saudis and contras is sold at $1,000 per unit is that how this was arrived at.

. A That is probably right, correct.

. Q Okay, is this 25 percent commission to STTGI going to be paid before or after the one-third, one-third, one-third split that was split amongst yourself personally; that is, Richard Secord and Don Marostica?

. A I think it would be common practice that the sales commission is an expense of the company, so they would be double dipping so to speak.

. Q Okay, so, just so I understand you, STTGI goes out and sells, say, 1,000 units.

. A They are entitled to 25 percent commission. If there is $500 left over, Marostica would have gotten a third, and I would have gotten a third, and Dick Secord would have gotten a third.

. Q And in your mind, at least under the discussion that ensued with this Exhibit Number 4, that it wouldn't have made any difference whether you were selling to the Saudis or contras or anybody else in the world, just whoever they sold it to.

. A It would certainly make a difference.

. Q My question is, does it make a difference who the customer is as far as their commission? They get the 25 percent commission whether they sell it to person A or person B?

. A Yes, I would think, and unless as long as they sold it legally to people that--if he were manufacturing the weapon in the United States, and the department.

. Q I am not asking whether you were licensing illegal sales. I am just asking how you intended to split the money.

. A Sure if they go out and create a sales they should be able to be entitled to 25 percent commission. These are just bare bone notes.

. Q I understand that, and I understand that the sales never took place. What I am getting at there was no discussion among the three of you that the sales to the contras would be on any different basis than the sales to the Saudis that were contemplated.

. A I don't know. I would say, no. I don't really know why this contra thing is in there. I don't know. I really don't know.

. Q Didn't the Gofs show you a number of exportation license applications for the American 180?

. A You are saying sales that they actually made?

. Q License applications so they would be qualified legally to sell abroad.

. A Show me that?

. Q Right.

. A I don't know.

. Q Do you recall seeing a collection of such documents?

. A They showed me so much paper work you need a shredder to get rid of all of it. I don't remember what all they showed me.

. Q Did you ever discuss the formation of SRH with Don Marostica?

. A No.

. Q How SRH was formed.

. A After, or during the time we were trying to dissolve our partnership with Marostica.

. Q Yes, during the time you were in the process of dissolving your partnership.

. A Yes, sir.

. Q But prior to the time that was actually dissolved.

. A Beg--

. Q Prior to the time it was actually dissolved, that is a yes?

. A Yes, that is the answer.

. Q Why did you not tell Don Marostica, your partner, about your formation of another partnership, SRH, to exploit this same business opportunities of being the Quinault/Wood project.

. A I told Marostica--knew exactly that we were--we had agreed a long time before written things, written contract, that he--that we were going to separate. We had probably three, two and half months off trying to get the money--some of this money sent back to me. Okay.

. Q You have told me that you never discussed SRH with Don Marostica.

. A I don't think I have ever discussed it. None of his business.

. Q Do you know whether Secord did?

. A Probably not.

. Q And your position is it was none of his business?

. A As far as I was concerned. As far as I was concerned, Marostica was now no longer a part of this group trying to put these projects together. He knew it and I knew it. Secord knew it, and everybody knew it.

. Q After the raid by ATF on the government sand the Colorado machine shops that were producing your reserves, did you discuss the ATF raid with Mr. Secord?

. A Several times.

. Q I think you testified that, ''We thought they should sue ATF.''

. A Yes. Secord and I both felt that American arms should sue ATF.

. Q Didn't you in fact solicit money from Marostica to fund the law suit against ATF?

. A Yes, I did.

. Q Seventy-five hundred dollars for each partners was your proposition?

. A Yes.

. Q And Secord was--

. A Secord was to put up seventy-five. I was going to put up 75 hundred and Marostica. No, he didn't. He wouldn't do it.

. Q Marostica wouldn't do it?

. A No, that is right.

. Q Have you ever heard of a company called Hydra, H-Y-D-R-A?

. A Hydra?

. Q That's right.

. A No.

. Q Have you discussed with Secord or Hakim their source of laser ~~siting~~ sighting equipment?

A No.

Q I think you testified that it was your understanding that Secord was going to obtain alternate laser ~~siting~~ sighting equipment for the American 180 in the marketplace. Was that your understanding at that time?

A Yes.

Q And that you thought he might be able to get~~ting~~ it in Korea.

A No, I didn't know where he was getting it. I don't think I testified to that.

Q You don't recall testifying that he wanted to use a laser built in Korea?

A I recall that they were not satisfied with the laser that American arms was building and that they had a possibility of getting another laser that they were trying to get developed. I don't even know if they got it developed yet or not. Whichever laser came out best was the one that was going to go on it.

Q When did you last talk to Don Marostica?

A A couple of days ago, three or four days ago.

Q Did you call him or did he call you?

A He called me first.

Q When was that?

A Oh, sometime last week.

Q Where did he call you?

A At my office.

Q What was said?

A The same old thing, you always say what is happening, wants to know what is going on and basically just wanted me to tell him what was going on, and I don't remember what we talked about in that conversation.

Q You had just recently seen the story of the Quinault timber project on national TV, hadn't you?

A The first conversation, no. He called me--what's happening, everything is honky-dory. He is our buddy. He is this; he is that. That night television, Marostica is sitting there on television telling the world all about his alter ego.

The next day I call him up and I said--

Q Let me get the timing down. Your first call, you are telling us a call that occurred on the day that Marostica appeared on the evening news?

A Yes.

Q So it occurred after Mr. Secord's testimony was completed?

A Evidently, yes.

Q And you were aware at the time Mr. Secord's testimony was completed that he had testified about the TriAmerican arms partnership?

A Yes.

RPTS CANTOR

DCMN GLASSNAP

[9:30 p.m.]

. Q And how did you first become aware that he had testified about that?

. A I was in Salem, Massachusetts, and I got back, flew back to Decatur, my secretary said ''You have just made national news,'' and that was on what, Friday, the last Friday, Thursday or Friday.

. Q And did you have any conversations with Mr. Secord after that?

. A No, not until the first of the week. We talked about it a little bit.

. Q I gather that there was a phone conversation?

. A With Secord?

. Q Yes.

. A Probably.

. Q Is it possible that you came to Washington, D.C.?

. A That I came to Washington, D.C.?

. Q You said it was probably a phone conversation. I am wondering how it could be other than a phone conversation. Did you come to Washington, D.C. or he come to Decatur? How did you meet?

. A I was in Washington, D.C. We picked Washington, D.C. during the time that Secord was testifying. I never did see him, but I used his office for another meeting, another business meeting.

. Q This was while Secord was testifying?

. A Yes. I never even seen him.

. Q When you say his office, you are talking about the Vienna, Virginia office?

. A Yes.

. Q And I assume that he knew you were doing so?

. A Yes.

. Q And how did he know you were doing so?

. A Probably Dutton or one of the secretaries told him, or I told him. I don't know. I am welcome there any time I want to come in.

. Q You called ahead to let him know you would be dropping in for a meeting?

. A yes. They knew. In fact, I think Dutton picked me up that day.

. Q Who did you meet?

. A I met--I can't tell you his name, a fellow from Korea, and Mr. Lucero, to talk about a couple of things that we were thinking about doing in Korea, if we can get something worked out.

. Q Was this fellow from Korea the same Korean fellow who was involved in the Quinault timber deal?

. A No.

. Q Who did the fellow from Korea represent?

. A Himself. He is well-connected in Korea and in making of--I am wanting to build a mixer, a big food mixer out of stainless steel, and so I am talking to him about that.

. Q Who is the person from Korea?

. A I can't tell you his name. I don't know his name. I have got it at home. Ku somebody. They all sound alike to me. I can get it for you.

. Q Is his name Park?

. A Who?

. Q Park?

. A Not that I know of. I don't think so.

. Q All right. He is representing himself, and what is his role in the possibility of your producing a food mixer?

. A To find a fabricator in Korea to do that.

. Q And what is Mr. Lucero's role in this?

. A Mr. Lucero wanted to talk to him about a chemical project of some type. I was busy on the phone after I got done with my thing, I didn't even sit in on that, so I don't know anything about it. Something to do with the manufacturing of chemicals, which Lucero does do some chemical work. We are looking for an agent to represent us.

. Q And this is an arrangement that you and Lucero had arranged to meet the Korean in advance?

. A Yes.

. Q Was anybody else present?

. A No, not during that conversation, no.

. Q I am not talking about during a particular conversation. I wanted to know who was in the building at any time while you were having this conversation.

. A Dutton was there, and one of the secretaries was in the same office.

. Q Which secretary?

. A Joan.

. Q Joan Corbin?

. A Yes.

. Q And Dutton was never present during any business conversation?

. A No.

. Q Was Lucero present for any of your conversations with the Korean?

. A Yes.

. Q Does he have any interest in your food mixer project?

. A No.

. Q Was he sitting as a financier?

. A Just sitting.

. Q Or a friend?

. A Just sitting.

. Q Does the Korean know Mr. Hakim?

. A I think yes, I think he does.

. Q How do you know he does?

. A Because Hakim is the one that recommended that this man would make a good contact for us.

. Q So this is Hakim's Korean connection?

. A Evidently. He knows, they know each other.

. Q What is the scope of the Korean opportunity that you were talking about? What are we talking about in terms of dollars?

. A The scope of it, it could be a very good business, because food mixers in this country are very, very expensive, very, very expensive, and so you are talking 100-foot cubic mixer that would cost $40,000 in this country could probably be made over there for ~~12~~ $12,000 and sold for substantially less. So it could be--you could sell 50 mixers a year at $25,000 a shot, so it is a pretty good thing. It is a pretty good deal.

. Q And Mr. Lucero's deal, were you there for that?

. A No. I know nothing about what he was talking to him about.

. Q What happened after the meeting?

. A Lucero and I--let's see, I went to--Lucero and I went back to his plant in Pennsylvania, which I am getting ready to do some work in liquidating a bunch of machinery out of there.

. Q This is the Myers plant?

. A Myerstown.

. Q Myerstown plant. And you drove back there?

. A No, flew to Philadelphia and drove a car back out in there that night.

. Q Had you flown out here?

. A Yes.

. Q From Decatur?

. A Yes.

. Q How long were you in Washington, D.C.?

. A Just that afternoon, in and out, in to that meeting, into Philadelphia, drove a car, got in there at midnight into Myerstown, stayed with him until about 4:00 o'clock the next day, caught an airplane to Salem, Massachusetts, where I looked at five machines in a bakery that I am going to sell for a guy, back on a plane back Friday into Decatur, walked in and said ''You have been on television.''

. Q You do business out of Secord's office on a fairly regular basis then?

. A Well, no, not regular, no, but I do, when I have something to do on the East Coast, I am welcome to use his office and say to a guy meet me there. It is a good central spot.

. Q Isn't it true, you have stationery with his address on it?

. A That is correct.

. Q And the name on the stationery is yours?

. A AIR.

. Q You have your name on the stationery?

. A My name personally?

. Q Yes.

. A No, I don't think so.

. Q What is the name on the stationery, the business name?

. A American International Resources.

. Q AIR?

. A AIR.

. Q Is there a company in existance anywhere with that name?

. A No, not now.

. Q There was?

. A I think yes, we had it incorporated in Illinois.

. Q When?

. A During the Braniff days when there was the liquidation.

. Q It was incorporated to conduct the liquidation of Braniff?

. A Yes.

. Q This is the deal you were doing with--

. A General Aderholt.

. Q And what became of that corporation?

. A Nothing. It is just dormant. I only use it--what did you call that? What did you say I use it for?

. MR. HOUCHEN: As an alias.

. THE WITNESS: An alias.

. BY MR. HOLMES:

. Q Could you explain to me what you mean by the use of the AIR Corporation as an alias?

. A In buying of machinery, and if I tip my hand--I try not to tip my hand and let people know that I am from Decatur, Illinois, because every time they--some people, if I am trying to buy a certain machine, they think I am trying to buy it for two big industries in Decatur, and they up the price, and so if I am trying to buy it for those people, I use an alias of saying this is Larry Royer from AIR, and I kind of get around those price hikes.

. Q And Mr. Secord makes his office available for you to do that?

. A Yes.

. Q I assume that since your address for AIR is Mr. Secord's office address that he gets mail there?

. A He gets mail there?

. Q For you?

. A For me?

. Q Yes.

. A Once in a while, once in a great while.

. Q And he forwards it to you?

. A Yes.

. Q And he probably gets phone calls there for you occasionally?

. A Once in a great while, yes.

. Q And the secretaries must be instructed to pretend that you are actually there and will take a message and call back?

. A Yes.

. Q So it is a mail drop.

. A Yes, that is good. That is a good way, yes.

. Q How long have you used Secord's office as your mail drop?

. A Oh, a couple years.

. Q Does he get anything for it?

. A No.

. Q Just good will?

. A Good will. The girls get a box of candy at Christmas.

. Q I would like to return to the point in time where you returned to Decatur and learned that you had been on national television in the form of Secord's testimony. Did you talk to Secord after that?

. A Let's see, that was Friday, probably talked to him middle of the next week. I had my problems fighting off the local press after that, so I didn't really have much time to talk to anybody. No, I didn't. He was testifying before another committee, and I don't think I talked to him until the middle of the week.

. Q And that was the phone conversation, or was that in person?

. A Had to be a phone conversation.

. Q Have you seen him in person? You didn't see him that time in Washington, but from the time he testified, have you seen him in person?

. A I saw him this morning for a little bit.

. Q Back to the phone conversation, the first phone conversation from the time of his testimony, what was said in that conversation?

. A What conversation? Which one?

. Q Approximately the middle of the week after you learned about his testimony.

. A I can say that basically anything we have ever talked about during these conversations is saying, ''Dick, how are you, are you holding up okay? Are you getting some rest?'' And you know Dick Secord is not a talker, and I learned that many years ago. I don't pry into him. I don't ask him anything, and that is the way I do it.

. Q So you had a phone conversation with him approximately mid-week after the Friday that he finished his testimony?

. A Probably. What did I say in that conversation?

. Q Was the word ''Tri American'' ever brought up in that conversation?

. A Tri American? Yes, yes, it was.

. Q Well, I wonder if you could tell us about that.

. A I think what I told him was that for the record I was giving Marostica a little chewing for talking to the press so much. I thought he was out of line. I said, ''I think you will have your opportunity to go to Washington and tell the story to the proper people, and you shouldn't be telling it to the press.''

. Q You were reporting a conversation that you had with Marostica to Secord?

. A Yes, I did.

. Q Let's return to that conversation in a minute. What exactly did you tell Secord about that?

. A Just about what I told you there.

. Q What did he respond?

. A Very little. Listens more than talks.

. Q I want to know what he said. The line didn't go dead, right?

. A I think the only thing he says is that ''I can't figure Marostica out'', and that is about it. That is all he said.

. Q Nothing else? Was there any other conversation about any part of his testimony?

. A Whose testimony, Secord's?

. Q Right.

. A Not that I know of, not that I remember.

. Q Now let's return to the Marostica conversation that you are reporting to Secord. When did that conversation take place?

. A Conversation with Marostica?

. Q That you were reporting to Secord.

. A It was about the middle of the week.

. Q That was a phone conversation, correct?

. A Yes.

. Q What was said between you and Marostica in that conversation?

. A That is the second conversation?

. Q No.

. A The first conversation? There was nothing really said in that conversation. Then Friday night or that night Marostica appears on television. He told me he hadn't talked to anybody, he had not talked to anybody on the committee. He lied to me all the way through.

Q He told you he hadn't talked to anybody on the committee?

A He had told me he had not talked to anybody.

Q On the committee?

A On the committee. He told me he had not talked to the press, and all of a sudden at 6:00 o'clock here he is sitting on television. I am furious with the guy. The guy lied to me.

Q So you called him up?

A I called him up the next day.

Q What did you say?

A I told him, ''How come you lied to me? How come you are talking on television? Go tell it ~~to~~ the stor~~e~~t, over here. You are going to have to tell it in Washington some day, but why are you muddling the whole thing up in the press?''

Q What did he say?

A He denies everything. He didn't talk any business. He didn't do anything. He is telling everybody Secord has got a million dollars. He wasn't talking ~~in~~ business. The hell he wasn't. He was talking everything. All Marostica ~~was~~ trying to do was to show everybody that he was in the big time~~s~~, and I was a little bit upset, and I wasn't trying to tell him to shut up or anything else. I was just saying that, ''I think you ought to go tell it to the proper people and not tell it to the press.''

. Q And then you told that to Secord?

. A And I told that to Secord what I had told him.

. Q When did you talk to Secord next?

. A After that conversation I told him that?

. Q Yes.

. A I don't know when I talked. When would that have been? That would have been Wednesday or so of last week, Thursday. I think I talked to Secord on Saturday again.

. Q And that was a phone conversation?

. A Yes, no more than ''How are you?''

. Q What was said in that conversation?

. A ''How are you? Are you getting some rest?'' We are friends. We don't talk business all the time.

. Q By Saturday, had you been contacted by anybody from the committee?

. A I had been contacted--

. Q From either committee, House or Senate?

. A He had contacted me.

. Q You are pointing to Don Remstein here?

. A Don, yes, and I was going to ask you when you started, did you try to call me? Were you the one that was calling me? There were two people who tried to get a hold of me, and I was traveling. Were you the other one?

. Q I was trying to call you, yes. I was the one you never called back.

. A I tried to call you back. I called him back. Didn't I? Three times.

. Q Did you report that to Mr. Secord?

. A That what?

. Q That you had talked to Mr. Remstein?

. A I told him on Saturday, I think, that I had been--that they had been talking to me, that he had been talking to me.

. Q And what did he say?

. A He said they have been talking to everybody, and then when I got a subpoena, I told him, I said, ''I have been subpoenaed'', and he says, ''They are subpoenaing everybody.'' That is about all he said.

. MR. HOUCHEN: You didn't actually get a subpoena.

. THE WITNESS: Well, I said--no.

. MR. HOUCHEN: We agreed to come voluntarily. We knew what it was.

. BY MR. HOLMES:

. Q You knew you had a subpoena in your future?

. A I said ''I have been subpoenaed'', and he said, ''They have subpoenaed everybody.''

. Q What did he say?

. A That is it.

. Q Nothing more?

. A Nothing more.

. Q The words Tri American never came up?

. A In that conversation? Probably not.

. Q The word ''timber'' never came up?

. A I don't think so. I really don't know. I talk to a lot of people every day. I don't know.

. Q Weren't you concerned about exactly what it was that Mr. Marostica was saying?

. A Any time somebody talks to the press about me and about my friends I am concerned.

. Q Did you talk to Marostica again after the time you called him up and you were mad after seeing him on national TV?

. A Yes, that is when I told him ''I just saw you on television, you are talking on TV, and you are doing this, and you are doing that.''

. Q You didn't call him up just to tell him he had been on television. Don't you think he knew that?

. A I called him up to give him a good chewing and saying ''What the hell are you doing messing with the press?'' My point is that I told him that I didn't think he should be talking to the press. I think he ought to be talking to these people and you.

. Q My question is whether you have talked to him again since that time.

A Have I talked to him again since then? I don't think so. The last time I know that he said that he was--the conversation was, ''I think you ought to tell it to the proper people instead of telling it to the press'', and he says ''I have been subpoenaed by the U.S. Marshals. They have been here, and that I am supposed to go in Thursday'', or something like that.

Q When was the last time you talked to Marostica?

A How come he gets the U.S. marshals and I didn't?

Q When was the last time you talked to Mr. Marostica?

A That was it, and I don't know what day that was. What is this, Wednesday? I would say it was the end of the week. I don't know.

Q I am having a little problem with your chronology because I have got you talking to Secord after you talked to Marostica in response to seeing Marostica on TV.

A Any time you forget your father and mother to take them to a wedding, I have trouble, the same thing. I don't know what days I talked to him.

Q The events happened, you saw Marostica on TV, and you called Marostica, correct?

A Next day.

Q And then you called Secord, excuse me, you told Secord that you had given Marostica an ass chewing, right?

. A Yes.

. Q I want to know if you ever called Marostica again.

. A My girlfriend called Mrs. Marostica. The only way you can get these things done is through these girls, you know that, and only talking to--

. Q I should have called your girlfriend.

. A That is right.

. Q She would have told me.

. A She is in a good mood now. She won't be bad. I tried to get her to explain to Mrs. Marostica that Don is only going to hurt himself, that the press is going to turn around and bite him, and that is my opinion. I don't know what your opinion is.

. Q This is something you had asked your girlfriend to do?

. A Yes, talk to Carol, try to get Don toned down to quit trying to stir all the bullshit up all over the United States and let him come and tell it to the proper people. Mrs. Marostica agreed. She said,''I agree, because every time he says something, they say it is black; he says it is white, and I am upset with him too.''

. Q Were you listening to Mrs. Marostica?

. A No.

. Q This is what your girlfriend told you?

. A Yes, and then the next day I then called Marostica to see if it soaked in, and it didn't.

. Q Okay, so you have got your girlfriend calling Mrs. Marostica.

. A Right.

. Q And did you--

. A Did I break the law?

. Q I am just asking the questions. Then did you report that conversation to Secord? ''Hey, I have had my girlfriend call Carol Marostica, and this is what she said''?

. A I don't know if I told him. I don't know if I did that or not. I really don't know. I honestly don't know whether I did or didn't tell that to Richard.

. Q Then you called Marostica the next day, and what was said?

. A I think that day I said--

. Q What day are we talking about now?

. A Whatever day, the last conversation I have had with Marostica.

. Q And how long ago was that?

. A What is today, Wednesday?

. Q This is Thursday.

. A Today is Thursday. It may be either the last of the week or the first of this week. I tell you what day it was. It was before, because I kind of laughed that he had gotten subpoenaed and I hadn't, and what day did you tell me that that was, the day I was going to be subpoenaed?

MR. REMSTEIN: I think I called you on Monday.

THE WITNESS: Monday, all right, that is the date, and so what I told Marostica--

BY MR. HOLMES:

Q Let me get this straight. You got a call from Mr. Remstein.

A Late in the afternoon.

Q And then you called Marostica.

A No, I talked to Marostica that morning.

Q You had already called Marostica?

A Yes.

Q What did you say to Marostica and what did he say to you?

A Well, he just denied everything, that he wasn't doing all the things that I told him that he was doing in talking to the press, and I said ''I am not trying to tell you, to put words in your mouth or anything like that. You can do that, but I am saying don't talk to the press.''

And, furthermore, I said to him at that time, ''I think you are a fiduciary of this group, and I think you are violating fiduciary responsibilities, and I am going to look into it, and Secord is going to look into it.''

Q And how did you know that Secord was going to look into it?

A Because sometime during that time, we had discussed that just briefly. Secord had told me, ''I think he is violating his fiduciar~~ies, too''~~y duty'' in one of the conversations over the week or so, because all of the press was coming from Marostica. Marostica had the whole West Coast. You ought to see. You have probably seen them. You have got maps.

Q Explain this idea of fiduciary responsibility to me as you understood it when you were talking to Marostica.

A He was handling all of our money, and he was doling it out, and I believe he has a fiduciary, and we are looking into it to see if he does. I am going to sue him.

Q I want to know where you got that word. I don't know if you caught that last--you said if he does, you are going to sue him?

A I may.

Q Where did you get this belief? Is this from Secord, yourself, or what?

A From both of us. Why is he doing this? we are talking. Why is it of such great interest to him to go play into the press' hands? You know, all of a sudden--

Q Did you tell Marostica that you and Secord were going to sue him if you felt that--

A No, no, I don't know. I don't know that I said that I was going to sue him, but I told him, you know, we are looking into the fact that if he is a fiduciary, we may. I don't think I used the word ''sue'', but we may bring action or something.

Q Bring action is just another word for sue, isn't it?

. . A It is the same thing. It sounds a little easier, doesn't it, than sue?

. Q Did the word ''jail'' ever come up in that conversation?

. A The word ''jail''. That he was going to jail or I was going to jail or something like that? No.

. Q That if he was in Switzerland, he would go to jail?

. A Yes, that is correct. You remember more about this than I do. That is right. I said that if he was a fiduciary in Switzerland, he would go to jail. They would have him in jail over the weekend for doing what he has done.

. Q And where did you get that piece of news?

. A Secord.

. Q What did Secord tell you with regard to that?

. A Well, he says that is the way fiduciary deals work. Over there it is very tight, and if you are a fiduciary and if he is a fiduciary, he has violated it. Like in Switzerland, he says they would have you in jail in a couple of days.

. Q This was an important point for Secord, I gather.

. A I don't know that it was an important point. I think we were both very disgusted at a guy that got us in a bunch of god-damn deals that I worked a year and a half trying to get them straightened up.

UNCLASSIFIED

. Q Why is Secord so protective of his secrecy?

. A I don't know. It is not secrecy. It is stating the facts correctly.

. Q Did Secord tell you when he was talking about fiduciaries that he intended to file papers resisting the examination of the Swiss records of his Swiss fiduciary?

. A No, he has never told me anything of what he intends to do or anything.

. Q What did Marostica say when you told him that if he was in Switzerland, he would go to jail?

. A A little pause, and, you know, what do most people say?

. MR. HOUCHEN: Not in Switzerland.

. THE WITNESS: Yes.

. BY MR. HOLMES:

. Q What did he say?

. A Don has got a mind of his own.

. Q I just want to know what he said.

. A I don't remember. I don't think he said anything to that. I have a tendency, when I am mad, I don't let the other guy do too much talking, and I was very upset with him.

. Q And the purpose of this call was to let him know?

. A And I don't listen to what they are saying. I am trying to put my words in.

UNCLASSIFIED

. Q So the purpose of this call was to let him know you were upset?

. A That is right.

. Q And that Secord was upset?

. A That is right, that everybody was upset. Everybody was upset. The press, they loved it. He played right into their hands. They say, ''Do you understand that Larry Royer said this'' and he said, ''No, I didn't understand that''. blah, blah, blah, and the way it goes. You know how it is.

. Q I don't know how it is.

. A Yes, you do.

. Q Do you know of an organization known as Century Arms?

. A No.

. Q Have you ever heard of a man named Manny Wigginsberg?

. A Manny Wigginsberg. Manny Wigginsberg, if it is the same Manny, ~~so~~ he's an arms deal~~s~~er in Canada.

. Q That is the man.

. A That is the man?

. Q How do you know Manny Wigginsberg?

. A Mr. Secord told me that he knew Manny Wigginsberg and that he could, if we market it, could help us market the semiautomatic 180, the kind of a guy that maybe had a lot of contacts in dealer organizations to market to a dealer

UNCLASSIFIED

organization this 180, and the only reason--Manny Wigginsberg, I just remembered that name. I never met the guy, only heard it three or four times.

. Q When did Secord tell you that?

. A A long, long time ago.

. Q This was very early on?

. A Very early on when we were looking at--

. Q Getting him into the American Arms deal?

. A Right, where the markets are, what is the potential of marketing it.

. Q Was it your understanding that Secord thought that Manny Wigginsberg was limited to just the semiautomatic version?

. A Yes.

. Q Why wouldn't he be able to sell overseas any version that he wanted to?

. A The only thing that I remember about the guy in Canada was the marketing of that semiautomatic weapon through a dealer network that he has probably got set up.

. Q Did you ever talk with Manny Wigginsberg?

. A No, wouldn't even know how to get hold of him. Have to call the Queen. I don't know where he is at.

. Q Did Secord tell you any more about his dealings with Manny Wigginsberg?

. A No.

UNCLASSIFIED

. Q Have you ever heard from Secord or anybody else whether Secord is engaged in any arms transactions other than the ones under investigation to the contras or to Iran?

RPTS THOMAS

DCMN PARKER

[10:00 p.m.]

. A No.

. Q To the contras or to--

. A No, nothing of that ~~is~~ transaction. No, Dick Secord and I only discussed what he and I are involved in and our friendship and that is it. Other things he does were not discussed.

. Q During the summer of 1986, in particular, say, from July to September, were you ever aware in any way that Mr. Secord was engaged in selling a ship load of arms?

. A No, I knew things were going on but I never asked and I never was told, and I didn't want to know.

. Q How did you know that things were going on?

. A Well, he was a very busy man and there were, I have been in several times when there were phone calls that would take him away from what we were talking about and this and that and he was always going downtown. Government people were calling him wanting to, so I did know something, but I didn't want to know.

. Q During the period of April 1986 through January 1987 how many times--let's take it right up to today, how many times have you been in Washington, D.C.?

. A How many times I have been?

. Q Right.

. A Oh, five or six times maybe.

. Q Okay. One of those was June 23. One of those was at the time of Secord's testimony.

. A Testimony last week?

. Q Right.

. A Yes, I was here last week.

. Q When were the others?

. A I can produce the records. I don't know when they were.

. Q Would you do so?

. A Yes, sir.

. Q The only other thing I want to talk about is your conversation with Mr. Secord this morning. Where did that take place?

. A I stopped at Stanford Technology office.

. Q And who was present?

. A Dutton, Secord, and Joan, and ~~Vernerd~~ Vernon.

. Q Your attorney?

. A Yes, sir.

. Q What was said?

. A There was very little said. He was mostly on the phone with his attorney, Mr. Green, talking about a statement that Senator Rudman had made, and he wasn't there even when we got there. Dutton came and got us and he went in and was listening to the radio.

. Q But Dutton met you at the airport.

. A Yes, sir.

. Q And brought you to the office.

. A Yes, sir.

. Q You had called him in advance.

. A Yes, I can't afford cabs in this town. It is a long way and the only cabs I can afford is in Salem, Massachusetts. That is cheap.

. Q You came in to Dulles, right?

. A Yes, sir.

. Q So Dutton met you at Dulles and brought you to the office?

. A Yes, sir.

. Q Then what?

. A And so, really I don't know where Dutton went. We called our offices to find out what was all going on. Within probably 35 or 40 minutes Richard came in. I introduced him to Mr. Kouchen. He went in his office for a little while. He listened and I went in and sat down and then Rudman was talking about something that Richard took issue with, and he called Green and Green was going to talk to Rudman about it. then we went to lunch and no sooner than We went to lunch, at the Sheraton, we went back to the office, picked up our briefcases and came down here.

. You had called and said come in at 3:00. We didn't have too much time.

. Q You told me everything except what I asked. I want to know what was said.

. A Nothing.

. Q You went to lunch and never said a word to the guy, and he never said a word to you?

. A I ~~had~~ have to put what we said on the record? Off the record, please.

. Q On the record.

. A He wasn't talking about anything. Tell him off the record, and I will tell you what I said, then I will go back to the record.

. Q Tell me in general terms.

. A I was discussing my girlfriend, that was completely the whole thing.

. Q The entire conversation?

. A That and do you know anything else we discussed?

. Q Wait a minute, your lawyer is not here to testify.

. A Okay, we talked. I don't know what all we talked about. I tell you we talked more about my girlfriend and my problem with her than anything because Richard knows her.

.. Q Let's start--

. A We did not talk and get into cahoots what I was going to come down here and say, if that is what you are insinuating. I am a big boy and can say what I want to say.

. Q If all you want to do is talk to Mr. Secord about your girl friend, why couldn't it have waited until after your testimony today?

. A Because, we were going to go home in the morning. I will not see him again. Our plane schedule brought us in here at noon, so I wasn't going to set in the bus station somewhere. I got a nice office I can go to.

. Q You are telling me that you met with Mr. Secord this morning. When did your plane arrive.

. A One, 12:30, 1 o'clock.

. Q Twelve thirty.

. A Yes, sir.

. Q And you had lunch with him.

. A Yes, sir.

. Q And who else was at lunch, your attorney and who?

. A And Rich and I.

. Q Just three of you?

. A Yes, sir.

. Q It never came up about anything having to do with any business deals that you have had with him?

. A I talked a little bit about the Wood deal.

. Q Okay, what did you talk about?

. A I thought it was going to go down the tubes, and ~~Warnerd,~~ Vernon, Richard talked about their World War II service.

Richard talked about he and Dutton a long time ago went over there and followed through the book of going to where what the Battle of the Bulge was. We basically--that was it at lunch.

We went back to the office, picked up our brief cases and Richard brought us down here and dropped us off, and he went somewhere else. He dropped us on the wrong side. It was a long walk across.

Q You discussed nothing else.

A As long as you had him in he should have known where to drop us.

Q You discussed nothing else about business financial relationship in any way, shape or form.

A Not today. You can't believe that?

Q When you answer a question with, ''not today,'' it implies to me maybe you have recently, but not today. Is that the case?

A Yes, we talk about things all the time.

Q Okay. When was the last time you talked about--

A We talk all the time. We had private enterprise. We were talking.

Q When was the last time you talked about finances?

A About what?

Q Anything financial.

A The last time was something about the Wood deal today.

. Q Before that?

. A Before that, really not very much, since the testimony and things have been going on. You have him being a very busy man.

. Q Not very much is a little bit too ~~fussy~~ fuzzy for me. I want to know when was the last time prior to today.

. A I don't know what I talk to him about. The biggest thing I talk to him about is giving Marostica a chewing out. I have not really talked to--

. Q Let me ask you what phone are you using when you talk to him?

. A I use 428-9282, area code, 217, a business phone.

. Q Any other phone?

. A I use--yes, if I am out somewhere I want to call him and talk to him, I use the public phone.

. Q In the last two weeks have you talked to anyone on a phone other than on a business phone?

. A I have talked to him probably from my girl friend's house.

. Q What is her phone number?

. A It is unlisted.

. Q I want to know it.

. A Do I have to give him her phone number?

. MR. HOUCHEN: Yes.

THE WITNESS: [redacted]

BY MR. HOLMES:

Q Any other phone?

A The only other thing I may have talked to him on my father's phone in Decatur, Illinois.

PRIVACY

Q In the last two weeks?

A Maybe.

Q What is that phone number?

A [redacted]

Q Where is it located?

A In Decatur, Illinois.

Q All three are in Decatur.

MR. HOLMES: No more questions.

BY MR. SABA:

Q I want to revisit two areas of earlier discussion, going back to our discussion concerning General Aderholt. I believe you testified that you were in Guatemala on two occasions.

A Yes.

Q And only one occasion with General Aderholt.

A Yes, sir.

Q During your two visits to Guatemala, did you have conversations with anyone concerning anything other than equipment related to sugar?

A I discussed with somebody that the first time I was down there, with a contractor fabricator about building a food mixer and Robert, too, was the one who set that up for me. I don't even know the man's name.

. The guy didn't have the bricks and things to do the job so that was--other than that, that was it.

. Q Did you meet with anyone at the U.S. embassy?

. A Did I meet in Guatemala?

. I don't think so. No. Guatemala, no. No.

. Q Where in Guatemala did you visit?

. A Guatemala City.

. Q On either of your two visits were you in any other place?

. A I flew in a helicopter to the sugar mill of Roberto, which is out somewhere. I don't know where it is. I went to the sugar mill and to the little town that is the ancient town that the earthquake destroyed, Antigua, something like that.

. Q Whose helicopter was this?

. A Roberto.

. Q This was his private helicopter?

. A Yes.

. Q Did you visit any other Central American countries?

.. A No.

. Q And were you involved in support to any military group, whether officially; that is under the Armed Services of a particular country, or a paramilitary group?

A No.

Q What else did you understand the fork lift we discussed to be for?

A To load donated medicine to the air commando units. All this medicine is donated to the air commando units or what they get or whatever their group is.

Q Whose group?

A Aderholt.

Q Air commando unit?

A Yes, air commando unit retired, air commandos down there that is retired, have an association and whether they work under the auspices of that group, but they get medical supplies donated to them and they are distributing them in Guatemala in the highland of Guatemala, and all this stuff comes in heavy cartons and things and they have been loading them by hand.

Aderholt is saying, ''Fine, find me a fork lift,'' and they don't have any money. It is all volunteer. I am trying to get a company that will donate a fork lift to them.

Q Did General Aderholt explain the nature of this, what is it called, this organization?

A The Air Commando Association. That's all I know. That stuff goes in one ear and out the other.

. Q Are these Americans?
. A Yes, sir, all retired military men.
. Q And they--
. A Air Force Commando.

DCMN QUINTERO

. Q And they have an air force, they have an opportunity in Guatemala?

. A They have a program of medical assistance down there.

. Q Are you aware of their providing anything other than medical assistance?

. A No.

. Q How do you know they provide medical assistance?

. A Because that is what they told me.

. Q Who told you?

. A Aderholt.

. Q Did you speak to anyone else about it?

. A When I was down there a couple of their air commando~~s~~ guys were there getting ready to take supplies out, a container was coming in and they are getting ready to take supplies and distribute them.

. Q Do you recall their names?

. A No, I don't.

. Q Were these Americans?

. A Americans.

. Q When were the supplies coming?

. A When?

. Q Where, into where; a port or airport?

. A The container, probably a port, I assume.

UNCLASSIFIED

. Q What did they tell you was in the container?

. A Medical supplies.

. Q How would they get medical supplies to the destination?

. A Very difficult, small airplanes, very difficult to get them up in that area, very difficult job.

. Q Were they provid~~ing~~ED help by Guatemalan governmental airlines or forces?

. A I do not know.

. Q In the course of your conversation with General Aderholt, did you have occasion to hear the name Raphael Quintero?

. A No, never. Only time I ever heard that name had been on television and read it in the newspapers.

. Q Do you know if Mr. Hakim mentioned any connection with General Aderholt?

. A No.

. Q You mentioned that...

. A I didn't even think that Hakim and Aderholt know each other.

. Q You mentioned you met General Secord at General Aderholt home in Florida. Following that event, did you know of any connections between General Secord and General Aderholt?

. A Did I know connections?

UNCLASSIFIED

Q Yes.

A Those men have been connected all their military years.

Q So they have continued their business in their retired years?

A Sure, they are friends, dear friends, fought together.

Q Have you been involved in their business between General Aderholt and General Secord?

A When the two of them are together in business, no.

Q Do you know what types of businesses they engage in?

A No.

Q Have you taken holidays with General Aderholt subsequent to that holiday that you have testified about in 1983?

A Holidays, vacations?

Q Yes.

A I didn't go on vacation with him, I went to Thailand twice with him.

Q I am referring to the meeting at his home in Florida in early 1983?

A No.

Q When you were with General Aderholt in Thailand, did he mention his continued business with General Secord?

A No, I don't think so. They are friends, they talk.

. Q What did you understand there business to be?

. A I didn't. They were just friends. I didn't know they had businesses together, don't know, [illegible] they have businesses together.

. Q Have you had any occasion since 1983, to be involved in a transaction which provides support to any other group in Central America other than General Aderholt medical assistance?

. A No.

. Q Has it been limited entirely to this forklift that we discussed?

. A Yes.

. Q You haven't been involved in any type of supply to the contras?

. A None.

. Q Were you aware that General Secord had an operation involving support for the contras.

. A Not until lately when this thing all--

. Q You haven't been involved in any business whatsoever involving sales or support or anyway involved with the contras.

. A None, none whatsoever.

. Q Referring to Exhibit 4, page 3, can you explain again to me why you would have written ''contra''?

. A I don't know; I really don't know.

UNCLASSIFIED

. MR. HOUCHEN: Don't answer any more questions about that nonsense. You have gone over that three times. That is enough.

. MR. SABA: I have had a--

. MR. HOUCHEN: He told exactly what he remembers of it, now we are going to badger him about this.

. MR. SABA: I have two different answers.

. MR. HOUCHEN: You don't have two different answers.

. MR. SABA: I do.

. MR. HOUCHEN: You are not going to get a third. Don't answer anymore questions about that.

. MR. SABA: What is the basis--

. MR. HOUCHEN: We have been here for eight hours, over eight hours straight. You have asked this man about this, about a memo that he wrote. It has no significance in this hearing that I can determine, which is also true of most of the other exhibits.

. [redacted] Nevertheless we have sat here apparently and hopefully figuring we would be finished some time. We have been up since 4:30 this morning.

. MR. SABA: I am sympathetic to you all, of your problems in terms of the hour. However, this memo, that word and my questioning goes to the essence of what we are doing and I have the right to ask the question and I believe I have a right to the answer.

MR. HOUCHEN: I am telling you he is not to answer it again. He has answered twice at least, and probably three or four times. You go on from there.

MR. SABA: Off the record.

[Discussion off the record.]

MR. SABA: I would like him to answer the question.

MR. HOUCHEN: I told him he will not answer your question again.

MR. SABA: I understand. My choice here is to leave it at that and take the issue to the Chairman of the House Committee.

MR. HOUCHEN: Do that.

MR. SABA: In which case the possibility is that he will be found in contempt of the committee.

MR. HOUCHEN: We will see.

MR. SABA: All right. I will ask a different question. We will go back on the record.

[Back on the record.]

MR. SABA: Are you asserting a privilege in connection with the last question I asked?

MR. HOUCHEN: I am asserting that this question has been asked and answered on at least two and probably three occasions.

There is one word in this memo that he has already testified that he wrote sometime prior to the dealings with

American Arms. You have asked [redacted] repeatedly about this one word and what he remembers, and he has told you what he remembers; and that is enough.

BY MR. SABA:

. Q How did you come to write it?

. A If I really knew I would tell you, but I don't know. I don't know.

. Q In the venture it was intended that General Secord would be charged with marketing events, and this particular section of the memo deals with marketing.

. A Yes.

. Q And the numbers complement sales of 4,000 at a certain price which would yield initially a commission on STTGI; is that correct?

. A Yes.

. Q And following the deduction of that commission profits in that sale would be divided for the three partners in Tri American Arms.

. A Right, correct.

. Q And it was your anticipation, from page 2 of the exhibits those profits, would be $4.7 million--I am sorry, correction, page 1?

. A I don't know. I would think that if those figures were correct, that is right--based on the fact that the million, the weapon would sell for $1800, based upon the fact

UNCLASSIFIED

we could get it for $200, but so far we haven't been able to get the price to $200. That is $351 right now. So the figures are--things look good on paper.

. Q You have found it at $325 to be an attractive proposition?

. A And these being, particular ones being trophy guns.

. Q And it was a proposition which was attractive enough to continue even after the ATF raid in pursuing it with Fourways?

. A Trying to get our money back, really trying to get our money back. Yes, it is attractive, sure, if you can sell weapons it is an attractive situation.

. Q And it was the intention to sell weapons to the contras.

. A No, I don't know that, I have no idea, you have to ask somebody else that. I don't know, I am not in charge of the marketing.

. Q So the person in charge of marketing would determine to whom they were being sold?

. A Yes.

. Q And the calculation here is based on that marketing?

. A Yes.

. . Q And the person charged with marketing would be General Secord.

. A That is correct.

Q I have no further questions.

SENATOR TRIBLE: Mr. Royer, when you referred to Senator Rudman before, you were looking my way. Are you mistaking me as Senator Rudman?

THE WITNESS: No, no, I was not, I know who you are, Senator.

SENATOR TRIBLE: You were looking for confirmation, it was indeed Senator Rudman.

THE WITNESS: Yes.

SENATOR TRIBLE: When was the last time you talked to Albert Hakim?

THE WITNESS: November, probably, December, November, October-November.

SENATOR TRIBLE: How about Mr. Zucker, when was the last time you spoke to Mr. Zucker?

THE WITNESS: July of 1986.

SENATOR TRIBLE: How about Mr. Green, Mr. Secord's attorney?

THE WITNESS: I have never talked to Mr. Green.

SENATOR TRIBLE: Tri American was a partnership of sorts, two, three partners, Mr. Royer, you, Mr. Secord and Mr. Marostica; is that correct?

THE WITNESS: That is correct.

SENATOR TRIBLE: Albert Hakim was not a partner?

THE WITNESS: Albert Hakim, as I understand it, was a partner, is a partner with Secord and Secord and Hakim. Secord would be representing Stanford Technology Trading Group. I don't know if that answered your question, but one would be, one would be representing their company.

A third of that company would be Secord, Hakim, Stanford Tech, is the way it was.

SENATOR TRIBLE: You have described TriAmerican, have you not, as a partnership?

THE WITNESS: Beg your pardon?

SENATOR TRIBLE: You have described TriAmerican as an enterpri~~sing~~E with three partners?

THE WITNESS: Yes, sir.

SENATOR TRIBLE: Those three partners are yourself, General Secord, and Marostica?

THE WITNESS: That is correct.

SENATOR TRIBLE: There is an exhibit whose number I don't know, which purports to be the determination of that partnership which bears three names, Royers, Secord, and Marostica?

THE WITNESS: That is correct.

SENATOR TRIBLE: That is Exhibit No. 7?

THE WITNESS: That is correct.

SENATOR TRIBLE: No where do I see the name Hakim.

THE WITNESS: That is right.

SENATOR TRIBLE: Hakim was not a partner of this enterprise?

THE WITNESS: Legally, not a partner, no.

RPTS CANTOR

DCMN GLASSMAP

[10:30 p.m.]

. Q I understand that your attorney at least has grown impatient about questions about Exhibit Number 4. I want to return to Exhibit Number 4. I was not here for some of the earlier questions, and, again, I will not prolong this proceeding unduly. Who is the author of this?

. A I wrote that.

. Q And what was the purpose of this document?

. A I don't know whether it was a summation of a meeting that we had in Denver or if it was going-in notes for a meeting that Secord, Marostica and I had. It is just, as you can see, there is no typewritten things from it on any records. It was a handwritten document for some type of notes.

. Q Is it fair to say that it represents a summary of the discussions that you and Mr. Secord and Marostica had about this enterprise?

. A Yes. I would think it is probably a summary more than a prep for a meeting.

. Q And Mr. Marostica said that Exhibit Number 4 was a primary source of discussion at a meeting you and Secord attended with him to discuss the American Arms, would you disagree with that?

A Those papers there? I would probably not disagree with that, no. I would say that.

Q According to the projections set forth on Exhibit Number 4, the partnership expected the possibility of profits of $4.2 million, is that correct?

A That is correct, on those trophy guns.

Q We can say, can we not, that page two of this same exhibit indicates a discussion of 1,500 to Saudi and Gulf States and next 4,000, and the word ''contra.'' The document reflects that.

MR. HOUCHEN: Since he wasn't here, go ahead and answer that.

THE WITNESS: Yes.

BY MR. TRIBLE:

Q What does this document indicate or project as the profit margin from the sale of these same arms in Exhibit Number 4?

A In what page? The second page?

Q I am asking you to interpret. I am asking you to tell me about that document that you prepared. I just have a couple more questions.

A The front part of it is the projections on the trophy guns, if we can get it before the President signs the bill. The second part is who is responsible for what, the assignments, the objectives.

Q That is actually page three now.

A That is two. Now page three--

Q Wait a minute.

A Yes.

MR. HOUCHEN: They are numbered.

BY MR. TRIBLE:

Q I am sorry. I have a different numbering scheme. Two, then, carries two subheadings, ''assignments'' and ''objectives of fees'', two, is that correct?

A Yes.

Q And the third page, sir.

A Yes.

Q This is a separate transaction, then, from the transactions otherwise contemplated in this document?

A Yes. I would say that this is potential, projections of sales the first year, and what happens if we get no domestic sales, if the President signs the bill. Then maybe we can sell ''X'' number to Saudi and Gulf States. Maybe we can sell 4,000 to the contras.

Q And what was the profit margin anticipated from those sales?

A Apparently $1,000, that would make it $750 after sales commission, and this paper says that the weapon can be built for $250. It can't be, but that would be $500 apiece.

and if we sold five, that would be 5,000 of them would be what, $2.5 million would be the profit.

Q So what is the profit then per weapon?

A If the weapon could be made for $250, and after sales commission, and we sold them for $1,000, now that is lasers and everything on there, we could make a round $500 a unit.

Q Per weapon?

A Per weapon.

BY MR. HOLMES:

Q Make them for $250 and sell for $1,000?

A We can't make them for $250. We cannot get them made for $250. That is what that projection--these are just beginning things. The cheapest we can find yet is $351.

Q Taking your figure or $250 and selling for 1,000, it is profit of $750, isn't it?

A No, you are giving $250 up in 25 percent sales commission.

Q So profit--

BY MR. TRIBLE:

Q The gross profit would be?

A Seven-hundred-fifty, and sales commission would be $250, so we would have a round $500 profit.

Q And once again the commission contemplated here goes to whom?

A Well, in this particular instance, if Secord's group, Stanford Technology, was going to do the marketing, they would get it, and if we would have gone into this, Richard Secord's group would have been the marketing people.

MR. TRIBLE: I thank you.

MR. SABA: Just to finish, let the record show that the witness came voluntarily and that we appreciate his patience and that of his counsel as well.

MR. HOLMES: And also it ought to reflect that you have a further obligation under subpoena, and that is to go back home and gather the documents we have discussed and now are evident to you are relevant to the inquiry, and supply them to us as rapidly as possible.

MR. HOUCHEN: You are talking about telex and telephone?

MR. HOLMES: Yes, the telexes, the telephone records, and I believe there was one other category.

THE WITNESS: Trips to Washington, D.C.

MR. SABA: I have telex, travel, telephone.

THE WITNESS: Travel to D.C., and what do I do about telephone? What is that?

MR. HOUCHEN: To see when you called.

THE WITNESS: Here?

MR. HOUCHEN: Sure. You have got Secord's number, if you called it, it will show on your bill.

. [Whereupon, at 10:40 p.m., the deposition in the above-entitled matter was concluded.]

Stenographic [illegible]

HEARINGS

Before the

Select Committee on Secret
Military Assistance [illegible]
The Nicaraguan [illegible]

UNITED STATES SENATE

Deposition [illegible]

UNCLASSIFIED

Declassified/Released on 18 DEC 87
under provisions of E.O. 12356
[redacted] National Security Council
K. Johnson

4022

SECRET

ALDERSON REPO[illegible]
(202) 628-93[redacted]

18 of 21 COPIES

BEST AVAILABLE COPY

UNCLASSIFIED

DEPOSITION OF GLENN ALLAN RUDD

- - -

United States Senate
Select Committee on Secret
Military Assistance to Iran and
the Nicaraguan Opposition
Washington, D.C.

Deposition of GLENN ALLAN RUDD, a witness herein, called for examination by counsel for the Select Committee, the witness being duly sworn by MICHAL ANN SCHAFER, a Notary Public in and for the District of Columbia, at the offices of the Senate Select Committee, 901 Hart Senate Office Building, Washington, D.C., at 4:08 p.m. on Tuesday, June 16, 1987, and the proceedings being taken down by Stenomask by MICHAL ANN SCHAFER and transcribed under her direction.

Declassified/Released on 18 DEC 87
under provisions of E.O. 12356
[redacted], National Security Council
K. Johnson

UNCLASSIFIED

APPEARANCES:

On behalf of the Senate Select Committee:

JOHN SAXON, Esq.

On behalf of the House Select Committee:

JOSEPH SABA, Esq.
ROBERT GENZMAN, Esq.
ROBERT KREUZER, Esq.
115 Annex I, The Capitol
House of Representatives
Washington, D.C. 20515
(202) 226-4026

On behalf of Defense Security Assistance Agency:

JEROME H. SILBER, Esq.
General Counsel, DSAA
Department of Defense
Washington, D.C. 20301

UNCLASSIFIED

CONTENTS

Deposition of:	Examination by Counsel for the:	
GLENN ALLAN RUDD	Senate	House
By Mr. Saxon	4	
By Mr. Kreuzer		35
By Mr. Saba		38

EXHIBITS

Rudd No.	Page
1	15
2	26
3	38
4	41

UNCLASSIFIED

P R O C E E D I N G S

Whereupon,

GLENN ALLAN RUDD

a witness herein, was called for examination by counsel for the Senate Select Committee and, having been first duly sworn by the Notary Public, was examined and testified as follows:

EXAMINATION BY COUNSEL FOR THE SENATE SELECT COMMITTEE

BY MR. SAXON:

Q State your name for the record, please.

A Glenn Allan Rudd.

Q That's R-u-d-d?

A Yes.

Q And what is your position, sir?

A Deputy Director of the Defense Security Assistance Agency.

Q Otherwise known as DSAA?

A Right.

Q And how long have you been in that position 1984.

Q And from 1980 to 1984, were you director of operations?

A Yes.

Q And from 1979 to 1980, were you comptroller?

A Yes.

Q And to whom do you report?

A To Lieutenant General Gast.

UNCLASSIFIED

SECRET

Q He is the director?

A Director of DSAA.

Q Can you take a moment and tell us what DSAA does?

A DSAA is responsible for the program direction of the security assistance and foreign military sales program worldwide. It also participates with the Department of State in defending the security assistance budget on the Hill, but its primary job, I would say, is program direction and program management.

Q Mr. Rudd, when I say we met with you earlier or talked with you earlier or you told us before, let me say for the record, what I have reference to is the fact that Roger Kreuzer was present along with myself. We interviewed you May 7th, 1987, in your office, and you also had present Mr. Jerome Silber, the General Counsel of DSAA; is that correct, sir?

A Right.

Q So if I say "as you told us before," that's what I have reference to.

A Okay.

Q But let me begin by asking you about the time period in late 1985 and any discussions that you would have been party to with regard to the provision of Hawk missiles for Iran, and I have in mind here in particular something that was called a point paper that Dr. Henry Gaffney, the Director of Plans for DSAA, prepared.

What can you tell us about that time period and any involvement in those issues?

A. Well, at the time that he prepared the point paper, both General Gast and I were on temporary duty out of town. I returned in late November and had, to the best of my recollection, one meeting on that general subject, with Rich Armitage, who is Assistant Secretary of Defense for International Security Affairs.

I recall that both Hawk and TOW were discussed at that time; that the primary thrust of the discussion with Armitage had to do with the legal ramifications of providing either Hawks or TOW's or both directly to Iran.

Q. Do you know when you are able to date that meeting with Mr. Armitage?

A. I would have thought that it was the following week after I returned from temporary duty, which would have put it around Thanksgiving week of that year. But it could have been later. It could have been a little bit later.

Q. And tell us specifically who said what to whom in that meeting?

A. Okay. I have a very vague recollection of that meeting. As I said, the discussion turned on the legal ramifications of providing the missiles. We talked about the notification requirements to Congress of section 36(b) of the

Arms Export Control Act. We talked about making Iran eligible for direct transfers for military sales. We discussed, as best I knew them, what the President's authorities under Section 614 of the Foreign Assistance Act may have been. And that's about it.

I recall no discussion at that meeting on quantities, dollars, or whatever.

Q But your recollection, I believe you just said, was that you discussed both Hawk missiles and TOW's?

A That's the best of my recollection, is yes, we talked about both.

Q And did Secretary Armitage initiate that meeting?

A Yes.

Q Do you recall Dr. Gaffney saying who told him or asked him to work up that point paper?

A The Hawk paper?

Q Yes.

A I didn't at the time that I talked to you before, but I've talked to Hank since and he says it was Noel Koch, which I didn't know at the time, or at least if I knew it it didn't stick in my memory.

Q And how would you characterize these discussions?

A It was a matter of Rich Armitage gathering information.

Q And did you believe that this was a preliminary or exploratory stage of something that was being considered?

A Oh, yes, definitely.

Q Do you remember any discussions about whether arms could be provided to Iran as part of security assistance?

A Well, I'd say that we had to discuss that, that framework, yes. As I said, section 36(b), section 614 of the Foreign Assistance Act, and so forth, all pertain to security assistance and foreign military sales in some way or another.

Q Was Iran at that time eligible to receive security assistance?

A I guess I would say in retrospect yes, they probably were. They had not received any. They weren't eligible to receive security assistance. They could have been eligible for foreign military sales on a cash basis. They hadn't, of course, received any material since 1959 -- '79, sorry.

But I guess I would say that on a cash sales basis nobody had said they weren't eligible.

Q When you discussed the prospect of making a report to Congress under the provisions of 36(b) of the Arms Export Control Act, do you recall what, if anything, Secretary Armitage said about the issue of Congressional notification?

A There was a general discussion, which could have been initiated just as well by me as by him, that obviously, if this was going to take place it would be highly classified and a report to Congress under section 36(b) would not exactly be covered.

Q Was there any discussion of whether the dollar thresholds would have been exceeded for reporting to the Congress?

A I don't recall anything in that meeting, no.

Q Because at that point, if I understand your testimony, there was no discussion of specific numbers, is that correct?

A I did not know of any numbers at that time to the best of my recollection.

Q I believe you told us before when we interviewed you that there was discussion about the possibility of the President being able to waive that reporting requirement under section 614.

A That would be 614. I speculated on that. I didn't get a legal opinion on it.

Q And is that everything that you can recall about that meeting, to the best of your recollection?

A Yes.

Q I believe you told us the next day General Gast returned from his trip, is that right, sir?

A To the best of my recollection, he was out of town then and he must have come back very shortly thereafter.

Q And did you brief him on this meeting with Mr. Armitage?

A Yes.

Q Do you recall what you said or what he would have said in response?

A No.

Q Do you recall if Dr. Gaffney was present?

A No. If not, I would know that Hank debriefed him separately because he knew things that I didn't know about that series of meetings.

Q Okay. You told us before, if this helps refresh your recollection, that Dr. Gaffney was present and that Dr. Gaffney showed General Gast the Hawk point paper that he had prepared. Does that sound correct?

A It very well could be.

MR. SILBER: Don't try to be consistent with what you may have said before. Just tell him what you know now.

THE WITNESS: Well, I'm trying to remember.

MR. SAXON: I understand that.

MR. SILBER: Inconsistency is all right.

THE WITNESS: It very well could have been true.

BY MR. SAXON: (Resuming)

Q Did Secretary Armitage give you any background on the Iran initiative? Did he talk about a draft NSDD that Bud McFarlane, the national security adviser, had sent to Secretary Weinberger earlier in the year?

A No.

Q Was there anything in the discussion with Mr. Armitage that would suggest that these transactions, discussions, about Hawks and TOW's was related to the hostages?

A I'm not sure about that one, because I've got it mixed up with the Koch one, where I know that there was. I just can't recall.

Q Okay, that's fine. If you can't recall that in the discussion with Mr. Armitage, that's fine.

Was there any indication to you from any other source that we, the United States Government, was in the process of rethinking its Iran policy or reopening relations with Iran?

A No.

Q In your opinion, would Iran have been eligible in late 1985 for FMS sales?

A Yes, if the President said sell.

Q What would have been your view in terms of U.S. policy in late 1985 as to whether the United States could ship arms to Iran if anyone would have asked you? What would you have told them?

A You mean with respect to whether it was a good idea?

Q With respect to policy and legality, whether we could ship arms to Iran or not.

A From a policy point of view, it made no sense at all.

Q Why would you say that, sir?

A Well, since our relationships with Iran were very poor, of course. Even though they had released the hostages, we were not on any kind of negotiating terms that I knew of that would warrant sales.

As far as law goes, I'm much less definite on that. I leave that to the lawyers. There was no law that said we could not sell to Iran.

Q I believe you told us before that under our statutes, if we can't make a sale ourselves to a country, then we can't approve a third country sale under the Arms Export Control Act. Is that an accurate statement?

A That's correct.

Q And under section 3(d) of the Arms Export Control Act, if our policy does not permit direct sales to a country, then does the law prohibit third party transfers?

A Yes.

Q Are you aware of any third country approaching DSAA in 1985 regarding shipments to Iran?

A No.

Q I'm sorry. Any recipient country of U.S. assistance approaching DSAA about shipments to Iran as a third country?

A No.

MR. SILBER: DSAA and not all of DOD.

THE WITNESS: If it was 1985, I wasn't even aware of DOD.

BY MR. SAXON: (Resuming)

Q All right, sir. Did you think to raise any of these issues with Mr. Armitage in terms of the wisdom or desirability of our shipping arms to Iran?

A. No. I may have thought about it, but I didn't do it, because he's an assistant secretary of defense and well able to think of that kind of thing for himself.

Q Prior to your discussions with Noel Koch on TOW's, which we will come to in a moment, were there any other discussions between the Gaffney point paper and the session with Mr. Armitage?

You briefed General Gast a day or so later. Is there anything between that period and when Mr. Koch approached you?

A. No.

Q And that would be with regard to both Hawks and TOW's?

A. That's right, there was nothing.

Q Now, what can you tell us about any discussions with Noel Koch regarding TOW missiles?

A. Okay. , To the best of my knowledge, the meetings -- and there were at least two, maybe three -- occurred in early February of 1986 at his request.

Q Why do you date it early February of '86?

A. Because during our interview I looked at the calendars. I knew that I would not have been talking to Koch about the subject if either Armitage were in town or Gast were in town. And the first time I could place them both out of town was in early February of '86.

Q And you say that because you assume he would have come to you in your capacity as being acting director?

A Exactly. And he, as the acting ASDI --

MR. SAXON: Let's go off a second.

(Discussion off the record.)

BY MR. SAXON: (Resuming)

Q Mr. Rudd, let me capture on the record a few things we have just talked about. I indicated to you that in our interview sessions with Noel Koch and subsequent deposition sessions, of which we had two, he indicated that the logic that you have used in trying to date this makes perfectly good sense, but that it's wrong, in that he did not go to you in your capacity as acting director of DSAA, but in a way that's complimentary to you, he went to you because he needed some information about TOW's and TOW pricing, and he knew that you could get it and get it right and get it quickly for him; and that, likewise, he did not go to you in his capacity as acting assistant secretary of defense in the absence of Mr. Armitage, but in fact he had been tasked by Colonel North specifically to come up with some pricing data on TOW missiles, and availability and the like, for which reason he does not date it at that time period.

Now, I'd like to show you for the record what we have just been looking at and have that marked as Deposition

Exhibit 1.

(The document referred to was marked Rudd Exhibit No. 1 for identification.)

MR. SAXON: Some pages from the desk calendar or appointment book of Noel Koch.

BY MR. SAXON: (Resuming)

Q I would ask you to look at the entry on January 7th, a Tuesday, in which it happens that Noel Koch at that particular time, according to his notation at the top, was acting assistant secretary of defense. But it shows that on January 7th there was a meeting at 2:00 o'clock with Hank Gaffney, there was a brief interruption, he met again with Gaffney.

And then again, it says, at 2:44 there was a meeting with Glenn Rudd.

As best as you can recall, does that make sense, that you met with him on that day?

A It does.

Q If you look then at the next day, the next entry with your name I believe is on Thursday, January 9th at 1:00 p.m., we have Mr. Koch meeting with Glenn Rudd. Is that correct as you read that?

A Yes.

Q I believe we look at the next day, on Friday,

SECRET UNCLASSIFIED

January 10, we see that at 2:40 there was a meeting that Mr. Koch had with you. And beside 2:40, it has the name Glenn Rudd.

Then if you look on Tuesday, January 14th, there is a meeting at 10:52 that Mr. Koch has with Glenn Rudd.

Are you able to recall any other period in this time frame when you would have met over the course of a week or so four times with Mr. Koch?

A No.

Q Now, while I don't want you to feel obligated to give us an answer that you don't believe is correct, would you accept Mr. Koch's characterization that these discussions took place in this period in January, rather than in the first ten days of February?

A Yes, based on the information that you have showed me, I would accept that.

Q Okay. Let's go then to actually what transpired in these discussions with Mr. Koch. The first time you meet, what happens? Did he call you?

A Yes.

Q And did you discuss things over the phone or did he say, come to my office?

A Yes, I went to his office.

Q And what do you recall transpiring when you got there?

UNCLASSIFIED

A He indicated that he was searching for information with respect to the legalities and the practicalities of the U.S. replacing 4,000 TOW, basic TOW missiles, if Israel shipped 4,000 basic TOW missiles to Iran.

Q Do you recall there being any discussion of a price tag for those 4,000?

A He indicated that the deal was being considered, was 4,000 TOW missiles for $12 million.

Q And I believe you told us before that you immediately questioned the $12 million for 4,000 TOW's because that would work out to about $3,000 per ton, is that correct, sir?

A Yes, that's right.

Q And did you indicate to him what you thought might be a more appropriate price for a TOW?

A I think at that meeting I said I would go look and see what prices we had ever sold basic TOW's for. I knew it was more than -- I think I may have said it would be double that and more, or something like that.

Q All right, sir. And then at that first meeting do you recall anything else being discussed?

A No.

Q You then went back to your office and began to check on TOW prices, is that correct?

A That's right.

Q Was there then a subsequent meeting that followed shortly thereafter?

A. Based on this, there were three more, although I certainly can't remember all three of them, what was said at each one of the three, because I didn't think there had been that many.

Q. But at either the next meeting or one of these meetings shortly thereafter, you had gotten some data on TOW missiles and you communicate that back to Mr. Koch, is that correct?

A. That's right.

Q. What did you find, do you recall?

A. Well, I looked for two things. One was, did the Army have 4,000 basic TOW's available that it could supply from its inventories without a world of hurt, and the answer to that was yes.

And I looked to see what was the cheapest that we had ever sold a basic TOW for, and to the best of my recollection it was about $6800.

Q. And to whom had we sold that basic TOW?

A. I think that one was to Israel.

Q. And had that been some years before?

A. Oh, yes, because we had not recently sold any basic TOW's. We had been selling I-TOW's.

Q. To make sure that we have the record clear, that figure of $6800 was for the basic TOW and not for I-TOW's or

TOW-II's?

A. That's right. Now, I have not gone back and rechecked that number since we met before in May. That's still the best of my recollection, but I think it's close.

Q. All right, sir. At that time, had Mr. Koch told you to check for basic TOW's?

A. Yes, specifically.

Q. When you told him that the cheapest we had sold a basic TOW for was about $6800, do you recall what his reaction was?

A. No. I don't think -- it wasn't surprise or shock or we've got to do better or anything like that. I was focused more on, again, the practicalities of providing 4,000 basic TOW's to Israel under a straight FMS sale to replace what I knew would be a transfer to Iran if it were to go through. So I wasn't focused on the price except to tell him that's way off.

Q. Did you tell him that there was no way you could provide 4,000 TOW's for $12 million, and in fact if you do the arithmetic would be some other figure?

A. Yes.

Q. Do you recall what that figure was, or whether you gave him a ballpark?

A. Ballpark. The ballpark, I said it would depend on whether we priced it for the replacement price of an I-TOW, which would be somewhat over 8,000, which would make the deal a little bit over $30 million; that if we sold them out of stock without replacement, we had a certain latitude to reduce the price for age and condition, but there was no way we could possibly go that low.

Q So as I recall it, you said --

A Not under FMS.

Q It would have been somewhere in the neighborhood of $25 to $30 million for the basic TOW, for 4,000 of them; and if there were a price discount due to the shelf life of some of these old TOW's which had been in the inventory a while, the price could come down below that?

A I never thought through how much or tested it or anything else, but there was that provision in the accounting manual which would provide a reduction for age and condition if they were not to be replaced.

Q But you made clear to Mr. Koch that by no means would it get down, you thought, as low as $12 million?

A Yes, I'm sure I did. Again, that's not where I was focused.

It's the accounting manual which lays out how you price FMS sales.

Q Did Mr. Koch tell you there was a $12 million ceiling on this transaction?

A Not to my recollection.

UNCLASSIFIED

Q Did you get the sense it was an amount of $12 million that was being worked with or looked at?

A Well, he told me that was what was being considered, was 4,000 TOW's for $12 million. I just said no way.

Q Did it happen, then, that you had a discussion with Mr. Koch about the issue of Congressional notification?

A Yes.

Q Did you tell him that if you couldn't get the price down below the $14 million as the threshold, that the Congress would have to be notified?

A Probably.

Q Do you recall any discussion to the effect of, if the Congress were notified the Israelis were buying basic TOW's, that it would be transparent to the experts on the Hill, because they knew that Israel was already buying TOW-II or I-TOW missiles?

A Yes, I initiated that. You're correct up to the point where you say they were already buying I-TOW or TOW-II. I'm not sure that they were buying those, but if they were going to buy a TOW they certainly would have bought I-TOW at least, and probably TOW-II.

Q So if someone were on the Hill and made aware that the Israelis were buying basic TOW, what did you tell Mr. Koch would be the possible inference they would draw?

A That they were replacing a shipment they made to

UNCLASSIFIED

Iran.

Q Did you say Iran or did you say some other country?

A I'm sure I said Iran in that case, because I think it was clear to me by that time that that was the thought process.

Q Do you recall any discussions in this session with Mr. Koch about hostages?

A I recall that he did mention the hostages.

Q Did he say this matter had White House interest?

A He did.

Q And did you inquire further into that?

A No.

Q You didn't ask him who at the White House?

A No. I think he said NSC, I think.

Q At this point, did Mr. Koch mention General Powell?

A No.

Q Did he mention Secretary Weinberger?

A No.

Q And did he mention any issue of a presidential finding pursuant to which these transfers might take place?

A No.

Q When you made the assessment about the threshold of $14 million and the Congress would perhaps have to be notified and that might appear transparent to certain people, did you then offer a judgment or any recommendation about the modality

ALDERSON REPORTING CO., INC. — (202) 554-2345

of transfer if the intent of the White House were to give TOW missiles to Iran?

A Yes. I said the only possibility of covering, keeping the transaction secret, would be through black channels.

Q And what does that mean?

A That means for CIA to buy them and ship them.

Q From the Army?

A From the Army.

Q And then the CIA could transfer them abroad?

A That's right.

Q Do you recall any response that Mr. Koch gave you to that suggestion?

A Not really. Certainly, I think he, as I recall -- no, I don't recall whether he agreed that it was -- it just didn't make any sense to do it through FMS channels. I don't know whether he said that or not.

Q Was there a point at which Dr. Gaffney gave you any input on pricing data or availability of TOW missiles?

A I don't recall that he did during that stage at all. I don't recall any involvement with Hank.

I got my information on basic TOW prices out of our controller shop, out of reports from there, without telling them why. I got my information on availability of Army assets from Bill Jackson, who I think by that time had a pretty fair idea why I was asking it. But we didn't talk about it much.

UNCLASSIFIED

Q Who is Bill Jackson?

A He's the deputy chief of military assistance for the Army on the Army staff.

Q Was there a point of which you worked up a point paper similar to the point paper on Hawk missiles to Iran Dr. Gaffney had done back in November of '85, with regard to TOW missiles for Iran in early '86?

A There was not in early '86. I talked to Hank just today about that, and he recollected for me, and I think he's right, that in the meeting with Armitage, that he had worked up a point paper which had to do with TOW's that -- and as best I can picture it -- there was only a little bit of information about TOW's.

Most of the information was about the legal process I talked about, you know, 36(b), section 614, and so forth. And I believe at this stage that we gave that point paper to Rich Armitage.

(Discussion off the record.)

MR. SAXON: Let's go back on the record.

BY MR. SAXON: (Resuming)

Q Mr. Rudd, to the best of your recollection was there a point paper worked up by anyone in this time period we're talking about with regard to the TOW's, that would be either as a TOW paper for Mr. Armitage in late '85 or for Mr. Koch in early '86?

UNCLASSIFIED

A. After discussing this with Gaffney today, I am convinced that there was a TOW paper which at least discussed TOW. I recall it discussing legal matters, more than TOW. That was prepared for Armitage in '85.

There was no paper that I'm aware of that was prepared for Koch in '86.

Q. And the paper that was prepared for Armitage, do you recall who would have prepared that paper?

A. I believe that Gaffney prepared it.

Q. And do you recall having ever been given a copy of that paper by Dr. Gaffney?

A. I think probably the original.

MR. SILBER: I'm sorry, which paper? The Hawk paper?

THE WITNESS: No, he's talking TOW.

MR. SAXON: That's correct, the TOW paper.

MR. SILBER: That you saw the original of, Gaffney's TOW paper that he had written?

THE WITNESS: Again, it discussed mostly legal matters, not TOW's.

BY MR. SAXON: (Resuming)

Q. And were you given that to transmit to someone or did he just show it to you?

A. He said today -- and I would not argue -- that I took it and I gave it to Rich.

Q. All right. I'd like for you to look at what I will ask be marked as Deposition Exhibit 2, which is a handwritten note on the letterhead of the Office of the Assistant Secretary of Defense for International Security Affairs. This is a note prepared by Noel Koch last spring, which I believe he dates some time in April when he's trying to recall some of these transactions.

(The document referred to was marked Rudd Exhibit No. 2 for identification.)

Q I don't ask you to vouch for the accuracy of anything that's contained in it, but I would direct your attention to numbered item 4. It says "TOW paper locked in RLA safe; wouldn't let Rudd keep copy."

Now, what Mr. Koch has told us in his deposition is that "RLA" stands for Richard L. Armitage; and he explained that it was his understanding that Mr. Armitage had the point paper, he locked it in his safe, and did not let you keep a copy.

To the best of your recollection, does that seem to be an accurate statement?

A Yes.

Q Do you recall giving Mr. Armitage the TOW point paper?

A I don't, but I think I did.

Q Do you recall ever having asked for a copy of it?

UNCLASSIFIED
SECRET

A No.

Q Do you recall Mr. Armitage ever saying you could not have a copy of it or would not be allowed to keep a copy of it?

A He may have said something to the effect that there would be no copies.

Q Do you recall ever discussing this issue of a TOW point paper which you provided, you believe, to Mr. Armitage, discussing that with Mr. Koch at a later date?

A No.

Q Now, after you had your discussions with Mr. Koch in which you provided him the best price data you were able to come up with on TOW's and you discussed the issue of Congressional notification, you discussed the issue of whether the way to effect such a transfer would be for the Army to transfer them to the CIA and for the CIA to perhaps sell them, did you at that time have any working notes that you had come up with with these prices and data?

A I had a handwritten paper which had the inventory, Army inventory, of basic TOW, I-TOW, TOW-II.

Q What happened to those notes?

A I through them away some time in the summer of '86.

Q Long before these matters became public?

A Yes.

Q And did you do anything after providing Mr. Koch this information and having the discussion that you have just

UNCLASSIFIED
SECRET

testified to and which I just recounted, did you have any involvement with the TOW issue?

A. No.

Q. Did you keep track after a while to see if there had been any TOW's moving around the world?

A. I would say yes, that we got [redacted] reports from time to time on arms transfers moving. I looked with some interest as to whether there were any TOW's moving. But the only thing that I ever saw that looked like it might possibly be tied into it was when the Israelis were captured in Bermuda and put in jail in Bermuda.

MR. SILBER: Arrested.

THE WITNESS: Arrested.

BY MR. SAXON: (Resuming)

Q. At any point, did Mr. Koch ever tell you that this had to be done in a way to prevent the Congress from being notified?

A. No, I wouldn't say so. I think it was as clear to me as to him that if it took place at all, it should take place under absolute secrecy.

Q. When you got with Mr. Koch in subsequent meetings, either the second time or later when you met with him on these issues, did you get the impression at some point that the Israelis were involved in these transactions?

A. There was no question, because the whole course of discussion had to do with providing TOW's to Israel to replace TOW's that they would ship to Iran.

I also got the impression that there were Israelis involved in negotiations to release the hostages.

Q Just so we make it clear in the record, the discussion with Armitage in late '85 were for direct sale to Iran, is that correct, sir?

A Correct.

Q And then the discussions with Koch, the destination was Iran, but the discussion was going through Israel?

A Israel would ship, we would replace.

Q Was it your sense at any point that Mr. Koch was sort of shopping around in order to find the most favorable way to do this?

A Oh, sure, I think so, if he was going to do it at all. I mean, if it was going to be done at all.

Q In your discussion with Mr. Koch, did he ever mention the name Colonel Oliver North, Lieutenant Colonel North?

A No.

Q Did he ever mention that he had been involved in negotiating with the Israelis on the price for TOW missiles?

A No.

Q Did he ever mention the name of Abraham Ben Yosef?

A No.

Q Did he ever mention the name General Menachim Meron of the Israeli Ministry of Defense?

A. No.

Q. Did you receive any instructions for any kind of follow-up or execution from Mr. Koch?

A. No.

Q. And is it your recollection that at any time after your discussions with Mr. Koch that you briefed General Gast on these matters?

A. I'm not sure. I may have. I guess in placing this in January instead of February, I would say there was more likelihood that I did than I had thought when we met before, because I told you I took a trip very quickly thereafter, but there was nothing to act on.

I may have and I may not have.

Q. Let me see if I can help in that regard, and I have no independent information on whether you did or didn't. But you've had these discussions with Mr. Koch, if we are to believe his testimony and his records. And as we've tried to, with everybody's best efforts in mind, date these events, you would perhaps have been discussing these matters with Mr. Koch at the same time that General Gast was present.

So you would not have had the normal, he comes back into town, I brief the boss on what's transpired. But these are fairly sensitive matters and it involves topics, as you said earlier, there may have been an embargo, there may have been some legal complications with notifying the Congress.

Does any of that refresh you in any way as to whether you went over that ground with General Gast after any sessions with Mr. Koch?

A. No, it doesn't. I'm not sure. I brief him on almost everything, but I may not have on this one, because I knew it was highly, highly sensitive.

Q. Did Mr. Koch ever tell you on whose authority he was acting or who had tasked him with this mission?

A. He only mentioned the NSC.

Q. You do think he mentioned the NSC?

A. I think he mentioned the NSC during one of the meetings, that we had NSC interest. That did not make it a reality. I mean, I didn't know that it was going to happen.

Q. And to your knowledge, prior to these matters becoming public were you ever made aware by Mr. Koch or anyone else that any arms had gone to Iran?

A. No.

Q. Did you ever see him on any subsequent matter and ask him, oh, by the way, Noel, whatever happened to that thing they were talking about?

A. (Nods negatively.)

Q. Your answer is?

A. I didn't, no.

Q. When we talked with you before, you mentioned unauthorized third party transfers. This was in our interview session which Mr. Kreuzer and I had with you.

Tell us what you mean by unauthorized third party transfers and how that works and whose approval is needed, and so forth, in the normal course of DSAA's business?

A Well, as I said, section 3(d) of the Arms Export Control Act precludes us from -- precludes the State Department from approving a third country transfer to a country that we would not sell to directly. It's State Department's authority to approve or disapprove third country transfers.

If a country is not eligible for sales, then it's also not eligible for third country transfer. Conversely, if it is eligible for third country sales, then I would assume the President could make such a country eligible; if there was no law that said it wasn't, then it would be eligible for third country transfers.

Q Let me ask you about the approval process for there to be a transfer from a recipient country under FMS sales to a third party or to a third country. Suppose we sold TOW missiles to Israel under an FMS sales agreement. There would be a contract, would there not, which contains a provision -- in fact, I think it's numbered paragraph 9 -- that says the recipient country must get the approval, as a condition of this contract, of the United States before they transfer to another country; is that correct?

A. That's right.

Q. And does that contract indicate whether that approval must be in writing?

A. Yes, it would be.

Q. It does say that it must be in writing?

A. I would think so. I don't know. I haven't read it.

MR. SILBER: Are you referring to (b)(9)? There's an (a) section and a (b) section.

MR. SAXON: Yes.

MR. SILBER: The purchaser's obligations.

THE WITNESS: I think the answer is yes, it has to be in writing.

BY MR. SAXON: (Resuming)

Q. And the approval, as I understand it, in the statute rests with the President, but by executive order he has delegated that to the Secretary of STate, right?

A. That would be right.

Q. Are you aware of any requests -- this would not have come to you in DSAA, but since you deal with and talk with State Department officials on these matters regularly, are you aware of any request that was made to the State Department in late 1985 or early 1986 for approval by the Secretary of State of transfers by Israel of Hawk missiles or of TOW missiles to Iran?

A. No.

Q What are the penalties for violating the prohibitions on third party transfers?

A I'm not sure what the statute says on that, except that unauthorized transfers have to be reported to the Congress. I'm not sure that there's a specific penalty in the statute of what happens once it is reported to the Congress.

Q Does the potential exist for the recipient nation to be shut off completely from future sales?

A Yes.

MR. SILBER: That of course could be done as a matter of policy.

THE WITNESS: That's the potential, yes.

MR. SILBER: You understand?

MR. SAXON: Sure.

BY MR. SAXON: (Resuming)

Q From time to time since 1982, have you seen reports that alleged or speculated that Israel was selling arms to Iran?

A I've read about it in the papers.

Q I believe when we talked with you before you gave us an example, turbo-fan blades for F-4 engines, is tHat correct?

A Well, what I said was that, as a part of Operation Stealth or as a part of our own suspicions, that we reviewed Israeli contracts -- Staunch, that's Operation Staunch. Israeli contracts are provided to us for financing, and we reviewed them with the objective of seeing that they met Israeli requirements and were not just being bought for sale to anybody, including Iran.

We particularly looked at the fan blades, as you said.

Q To the best of your knowledge, was there ever any conclusive proof that the Israelis were selling arms to Iran?

A No, we didn't establish anything.

Q Is it fair to say, though, that both at the State Department and at the Pentagon the issue of arms sales to Iran during this time period was one that concerned you as policy makers?

A Yes.

Q And by mentioning Operation Staunch, is it your testimony that there was an Administration policy that we would put pressure on our allies not to sell arms to Iran?

A Oh, yes.

MR. SAXON: I think those are all of the questions I have on the topic of Hawk's and TOW's to Iran. There are one or two other miscellaneous things I want to address. So let me see if Joe, Roger, or Bob have anything further.

EXAMINATION BY COUNSEL FOR THE HOUSE SELECT COMMITTEE

BY MR. KREUZER:

Q Can we go back to the time of, say, approximately

6 December '85, when you think possibly you may have met with Mr. Armitage. Is it your recollection that a TOW point paper similar to Dr. Gaffney's Hawk point paper was in Mr. Armitage's possession at that time?

Did you give it to him or was it given to him by somebody else? Do you recall his having the point paper?

A. I think I gave it to him. And again, I say it mentions TOW's because Hank said it mentions TOW's, and I will accept that. I don't recall what it said about TOW's at all. I do recall there was considerable discussion on the legal aspects of the transfer that was in the paper.

Q. Now, in this discussion -- is Mr. Armitage an attorney by training?

A. Not to my knowledge.

Q. And are you an attorney?

A. No.

Q. But you were discussing the legal aspects as you knew them between yourselves?

A. As best we could.

Q. From previous, maybe, experience?

A. That's right.

Q. And the objective of the TOW point paper or whatever point paper this was -- we'll say you don't specifically remember it being TOW, but whatever point paper it was -- was there an indication that this was going to be used for something in the near future by Armitage?

A. I didn't know.

Q. He didn't say anything about that?

A. No.

Q. But it was a completed paper? It was in final form? It was neatly typed or prepared, it was signed?

A. That's right -- no, it wasn't signed.

Q. But it was a point paper, a standard point paper?

A. That's right. I recall in paragraphs that I recall it at all.

Q. Was he talking about -- did Mr. Armitage discuss whether or not the paper was supposed to have a positive flavor, a negative flavor? Did he make any comments on what kind of terms it was to be couched in?

Did he suggest who wanted it, who had requested it?

A. No.

Q. As far as the legal aspects of it, do you recall generally, was the discussion about policy or statutes or all of those things?

A. I recall it as being what would be the legal ramifications of a direct sale to Iran of Hawks or TOW's. Now, I don't think that paper, that particular paper that we're now discussing, mentioned Hawk at all.

Q. Just TOW's?

A. Yes. But the discussion had to do with Hawk and TOW, as I recall.

Q Do you recall that the paper discussed anything about reporting sales that exceeded a certain dollar threshold?

A I'm sure that section 36(b) was mentioned in it, yes.

Q You saw Dr. Gaffney's point paper on Hawks?

A I saw it, but I haven't read it for quite some time.

Q Could you assess whether or not this paper resembled that point paper on Hawks in format and approach?

MR. SILBER: Do you want to show him a copy of the Gaffney paper to refresh his recollection?

MR. SAXON: Let's go off a second.

(Discussion off the record.)

THE WITNESS: I think Hank prepared both of them, so I suspect the answer is yes.

MR. SABA: We're going back on the record now.

BY MR. SABA:

Q Mr. Rudd, we have placed a document before you which will become Exhibit 3. It is called "The Hawk point paper."

(The document referred to was marked Rudd Exhibit No. 3 for identification.)

Q We ask you to review it and tell us if you are familiar with it.

(Pause.)

A Yes.

Q And how are you familiar with it?

A I was aware of it, have been aware of it for some months, and I am familiar with it in detail. I have again recently read it.

Q Do you recall if, on or about the 25th or 26th of November 1985, upon returning to the office from a leave, if Dr. Gaffney, who had been the acting director in your absence and in General Gast's absence, briefed you about a request he had received to provide information concerning Hawk missiles to General Powell?

A I don't think that he said anything to me about Colin Powell. I think he briefed me. I don't recall any name. I know that Colin was involved, but I don't know that he said that.

Q Do you recall that the week of the 19th of November you were in Hawaii at a conference?

A Right.

Q And this would have been upon your return from that conference in Hawaii?

A Yes.

Q And thinking back on the days after your return, you recall that Mr. Gaffney briefed you on the matters discussed in this point paper?

A Yes.

Q Could you give us your best recollection of that briefing? Did he provide you a copy of this paper?

A. No.

MR. SILBER: By "provide" you mean give him a copy?

THE WITNESS: I'm not even sure I read it at the time.

BY MR. SABA: (Resuming)

Q. Did he tell you of the existence of a point paper?

A. Not that I can recall.

Q. Do you recall what he told you about the matter?

A. I am only barely sure that he briefed me at all. If he said he did, he did. But I don't recall any discussion with him on it.

Q. All right. Calling your attention then to the first week of December 1985, can you tell me if there came a time when you received a request to participate in the drafting of a paper concerning the provision of TOW missiles to Iran?

A. I'll accept either that Armitage asked me to draft a paper and I had Gaffney draft it or that somebody asked Gaffney to draft a paper and he drafted it and I reviewed it and gave it to Armitage. I think the last one was the case, but I'm not sure.

Q. Is it possible at that time that someone provided you or gave you the document in front of you marked Exhibit 3 as an example of what was required?

A. I don't recall. It's possible.

BY MR. SAXON: (Resuming)

Q Do you recall any cut and paste effort where you might have taken this point paper on Hawks and plugged in some new figures and borrowed some language and done what we would all think of as a cut and paste effort, sort of a hurried, under the gun effort to get something finished?

Does that refresh you in any way or does that ring true in any way?

A That is not my recollection of it. That's not my recollection of it.

My recollection of it is a different format, more concentrated on the legalities, with a little information at the top on TOW availability, nothing on the policy aspects that's on the second page of this.

MR. SILBER: You think it was a one page paper?

THE WITNESS: I think it was two, but I'm not sure.

MR. SAXON: Let me ask that this be marked as Exhibit 4 and give you a copy of this, Mr. Rudd, and give you a moment to look at it. These are the handwritten notes in his daily log of actions he is working and requirements, that Dr. Gaffney maintains in the normal course of his business.

And I would ask you to flip over if you would and look at the entry at page 55, 6 December '85, and you'll see that in the upper left hand corner.

(The document referred to was

marked Rudd Exhibit No. 4 for identification.)

BY MR. SAXON: (Resuming)

Q I would ask you to look at the precise listing that says I-TOW, TOW-II, TOW-II replacement price, weight, lead time, and so forth, and ask you to read that.

A Okay.

Q Then you will see the number of 3300, which Dr. Gaffney tells us is a quantity of TOW missiles that he was looking at and asked to work on, and a figure of $11,000, which is the price he plugged in for I-TOW or TOW-II replacement.

A It would be TOW-II replacement.

Q And I simply ask you if any of these figures look familiar and if you recall any discussions with Dr. Gaffney about any of these figures?

A Unh-uh.

Q That's a no?

A That is a no.

Q Do you recall him giving you any information along these lines that you might have then transmitted to Mr. Armitage?

A It's very possible that the paper that we have established existed had these numbers in it, that's possible. That's why I don't think I prepared the paper.

Q But your best recollection today is that these particular entries have no real meaning?

A No.

BY MR. SABA: (Resuming)

Q Just to review, and I apologize if the question has been asked you, in testimony before the DAIG General Powell indicated that in late 1985 he had been provided information concerning price and availability of TOW's, and he indicated that he had been provided several prices.

He named DSAA in particular. Were you the person to whom he addressed any inquiries concerning TOW's or Hawks?

A No.

Q To your knowledge, did you provide any information, either directly to General Powell or through another person, concerning pricing for TOW's or Hawks in this period?

A Well, I think I will -- again, I believe that the paper that was provided to Armitage had TOW information in it and very well could have had the price and availability of the TOW's in it, yes.

BY MR. SAXON: (Resuming)

Q And I believe you already testified that you did provide the TOW pricing data to Mr. Koch?

A Well, I certainly did that in what we've proved to be January, I guess. But I never provided anything to Colin Powell, not as I recall now.

BY MR. SABA: (Resuming)

UNCLASSIFIED

Q Whether in November or December of '85 or January of 1986?

A Never, never talked to Colin Powell.

Q Mr. Rudd, can you tell us if in the normal course of events someone at the NSC wanted to obtain pricing information and availability of TOW's and Hawks, who would they call at the Department of Defense?

A Well, in the normal course of events, depending on how high the level was that wanted it and who made the phone call, they very well could call right to GSA and say, you know, what's the price of a TOW.

Q Would DSAA be the likely agency to whom an inquiry would be directed?

A Either directly from NSC or indirectly through the chain, yes.

Q The inquiry would not more likely go directly to the Army?

A No, not from NSC.

Q Are inquiries from NSC received routinely concerning pricing and whereabouts of weapons?

A Oh, no, I wouldn't say so.

Q In your experience at DSAA, how many inquiries coming from NSC about price and availability of weapons do you recall?

A None specifically. I imagine there may have been phone calls staff officer to staff officer. Very infrequently.

UNCLASSIFIED

Q So perhaps from your point of view, at this time this was a very unusual event?

A Oh, sure.

Q This was a very unusual course of business.

Have you ever had access to the paper which Secretary Armitage eventually came to acquire on the TOW's in December of '85?

A Did I have access to it? Yes, I think I handed it to him.

Q Did you keep any copies? Do you have access now?

A No. I have no idea where it is.

BY MR. SAXON: (Resuming)

Q Have you made any inquiry to Mr. Armitage about the existence of the TOW paper?

A No.

Q I've got a couple questions for you about security assistance and what, for lack of a better term, let me call quid pro quo arrangements with the recipients of security assistance. And what I've got in mind is to leave the Iran side of the Iran-contra affair for a moment and ask a question, too, as we did when we interviewed you before, about the contra side.

Are you aware of any effort in your capacity as the deputy director of DSAA in recent years for the United States Government to use security assistance as an inducement or a reward to the recipient country for that country's having provided aid to the contras during the period when United States Government funds were prohibited for such aid?

A No.

Q Are you aware of any effort by a recipient country or a would-be recipient country of security assistance to try to use that nation's aiding the contras as leverage to extract from us security assistance?

A Would you repeat that? My mind wandered. I think the answer is no, but --

Q I apologize, it was a big verbose.

Are you aware of any efforts by recipient nations of our security assistance or those countries that would like to receive it to use their aiding the contras during the time when the United States couldn't due to the Boland amendment as a lever to try to extract from us security assistance?

A No.

Q Would your answers of no on both counts encompass the recent discussions about the provision of F-5's to Honduras?

A Would they encompass them? Oh, sure.

Q To the best of your knowledge, there has been no effort for the United States to link our providing aid either as a reward for the Honduran government's helping the contras or as an inducement for them to do so?

A No.

Q Are you aware of any effort, through FMS sales or other forms of security assistance, by the United States to get equipment, arms, to the contras by having a recipient country inflate their request and then we would provide them more than they need and some portion of that would go to the contras?

A No, other than what you mentioned as a possibility back in May.

Q And I believe you and Mr. Silber were going to check into that, and what did you find in that inquiry? Let me say, we've been provided that by Mr. Silber, but for the record we could have a statement of what was found.

A I think that what was found -- and you can affirm this, Jerry -- is that we didn't even make a sale to [redacted] during that period.

BY MR. SAXON: (Resuming)

Q That's correct. We had asked you about allegations that had been raised by a Mr. William T. Goldman, retired Army warrant officer, who said that he recalled during the time period that he was part of the military operation known by the code name Yellow Fruit that he had seen a concept paper in 1982 or '83 which talked about inflating FMS sales to [redacted] and then some portion of what was provided would be diverted to the contras.

We asked you to look into that, and you're saying for the record that you found that we have not even sold anything through FMS sales to [redacted]

A During that period of time.

MR. SILBER: That's not to say that there wasn't a concept paper.

BY MR. SAXON: (Resuming)

Q Let me ask you as my final line of questions, have you spoken with any investigating authorities about these matters other than your appearance here today and the time when Mr. Kreuzer and I interviewed you some weeks ago?

A Yes. I was interviewed by a gentleman from the Special Prosecutor's Office.

Q Judge Walsh's office, the independent counsel?

A Yes.

Q And when was that?

A I'm not very good at dates. What was it, about two weeks ago, maybe three weeks ago. Yes, three weeks ago.

Q Have you spoken to anyone else regarding these matters?

A No. I talked to Dr. Gaffney today.

Q Have you been --

A And I talked to Rich Armitage yesterday morning very briefly.

Q Who initiated that discussion?

A He did.

Q And what was the nature of it?

A He was trying to recollect the events of what turned out to be December the 7th and what had been discussed.

Q And what did he say?

A His point, which he and I agreed on and apparently Gaffney did not agree on, was that both TOW's and Hawks had been discussed, and that the avenue of sale that was discussed at the time would be direct to Iran.

He did not mention this TOW paper at the time, and I did not either, because until Gaffney talked to me today I had totally forgotten it existed.

Q To the best of your judgment, was there anything that you would construe in Mr. Armitage's approach that would suggest he was trying to get you to shade or color your testimony in any way?

A Absolutely not.

Q Has there been anyone else within the Department of Defense who you have discussed your testimony here today with?

A No.

Q I believe that that's all that I've got. Joe?

MR. SABA: That's all I have now.

MR. GENZMAN: I have nothing, thank you.

MR. SAXON: Let me say for the record, Mr. Rudd, that we appreciate your being here today. You have done so voluntarily. Your testimony has been very helpful to our Committees, and we thank you very much.

THE WITNESS: Thank you.

(Whereupon, at 5:34 p.m., the taking of the instant deposition ceased.)

____

Signature of the witness

SIGNED AND SWORN TO before me this ____________________

day of ____________________, 198 ___.

____

Notary Public

My Commission expires:

UNCLASSIFIED

CERTIFICATE OF REPORTER

I, Michal Ann Schafer, the officer before whom the foregoing deposition was taken, do hereby certify that the witness whose testimony appears in the foregoing deposition was duly sworn by me; that the testimony of said witness was taken by me to the best of my ability and thereafter reduced to typewriting under my direction; that said deposition is a true record of the testimony given by said witness; that I am neither counsel for, related to, nor employed by any of the parties to the action in which this deposition was taken, and further that I am not a relative or employee of any attorney or counsel employed by the parties thereto, nor financially or otherwise interested in the outcome of the action.

Michal Ann Schafer

NOTARY PUBLIC

My Commission expires February 28, 1990

UNCLASSIFIED

GLENN Rudd
Exhibit # 1

[redacted] 2 pages

DENIED IN
TOTAL

5673

RUDD
Exhibit #1 [illegible] 25 NOV 85
1 page ↗

DENIED IN
TOTAL

(5674)

RUDD EX # 2

UNCLASSIFIED

Koch DX 2

OFFICE OF THE ASSISTANT SECRETARY OF DEFENSE
INTERNATIONAL SECURITY AFFAIRS
AFRICA REGION

[redacted]

DEPOSITION
EXHIBIT
11

Partially Declassified/Released on 30 Jul 1987
under provisions of E.O. 12356
by B. Reger, National Security Council

MEMO FOR

1/ TOW discussed separately w/ Rudd & Gaffney in Dec.

[redacted]

4/ TOW paper locked in Rudd safe, [illegible] Rudd has copy.

Original was 3000. Definitely [illegible] in stock.

No way to keep transfer secret.

Koch said [illegible] possibility of [illegible] [illegible] the blocks.

Thompson Finally would attach notice even if we forced to waive Sec. 3613 (notice to Hill)

CIA purchase (through [redacted] [illegible]) x Sec.

Replace w/ TOW's [illegible] [illegible] [illegible] [illegible]

3114

[illegible], 3

UNCLASSIFIED

1120

DEFENSE SECURITY ASSISTANCE AGENCY

12 Dec 86

Memo For Record

The attached talking points were prepared by me, as Acting Director, DSAA, on or after 19 November 1985, at the request of Noel Koch and Gen. Colin Powell (then Mil. Asst. to SecDef). They were furnished to Mr. Koch to take to Gen. Powell.

Dr Hank Gaffney
695-5459
4B730

or foreign sale
[illegible] intended for
tended for tests.

[illegible] apiece. This is
ts could cost as much

be $36-32.5 million
added (NRC cost,
charges, plus

be replaced, so

idable difficulties:

sales, including
ec. 3 of the AECA.

es of $14 million
or indirect to a
nclassified (except
ot take place until
vs can be waived for
transfer has no such
given in any case.

dered through Israel.

ken into 3 or 4
tice.

n against splitting
, the spirit and the
and all Administrations

[illegible]

-- It is conceivable that, upon satisfactory consultation with Chairmen Lugar and Fascell and their minority counterparts, they might agree to splitting the sale into smaller packages.

- The customer countries (UAE and Korea) would have to be told that their deliveries had been rescheduled, but we would not have to tell them why. We would not want to charge them more for later deliveries.

Declassified/Released on 22 June 1987
under provisions of E.O. 12356
By B. Reger, National Security Council

UNCLASSIFIED SECRET

UNCLASSIFIED

POINT PAPER

Hawk Missiles for Iran

- Missiles are available right now, suitable for foreign sale. There are 164 missiles at Red River Arsenal - 77 intended for UAE and 87 for Korea. Seven of these are intended for tests, but the tests can be foregone.

- The missiles at Red River Arsenal cost $300,000 apiece. This is not necessarily a firm price, and replacements could cost as much as $437,700 apiece.

- Thus, the total bill for 120 missiles would be $36-52.5 million. To this, applicable charges would have to be added (NRC cost, administration charge, packing and transport charges, plus storage).

- The missiles for Korea and UAE would have to be replaced, so DSAA will need the money to replace them.

- The modalities for sale to Iran present formidable difficulties:

  -- Iran is not currently certified for sales, including indirectly as a third country, per Sec. 3 of the AECA.

  -- Congress must be notified of all sales of $14 million or more, whether it is a direct sale or indirect to a third country. The notice must be unclassified (except for some details), and the sale cannot take place until 30 days after the notice. The 30 days can be waived for direct sales, but the third country transfer has no such provision, and notice must still be given in any case.

  -- Thus, even if the missiles were laundered through Israel, Congress would have to be notified.

- It is conceivable that the sale could be broken into 3 or 4 packages, in order to evade Congressional notice.

  -- While there is no explicit injunction against splitting up such a sale (subject to check...), the spirit and the practice of the law is against that, and all Administrations have observed this scrupulously.

  -- It is conceivable that, upon satisfactory consultation with Chairmen Lugar and Fascell and their minority counterparts, they might agree to splitting the sale into smaller packages.

- The customer countries (UAE and Korea) would have to be told that their deliveries had been rescheduled, but we would not have to tell them why. We would not want to charge them more for later deliveries.

UNCLASSIFIED
SECRET

202365

UNCLASSIFIED

The political drawbacks are equally formidable:

-- If Iraq ever found out, they would be greatly irritated. Their sources of supply are more readily accessible than Iran's, however, so there would be no effect in that respect.

-- Saudi Arabia and the other Gulf States would also be irritated and alarmed.

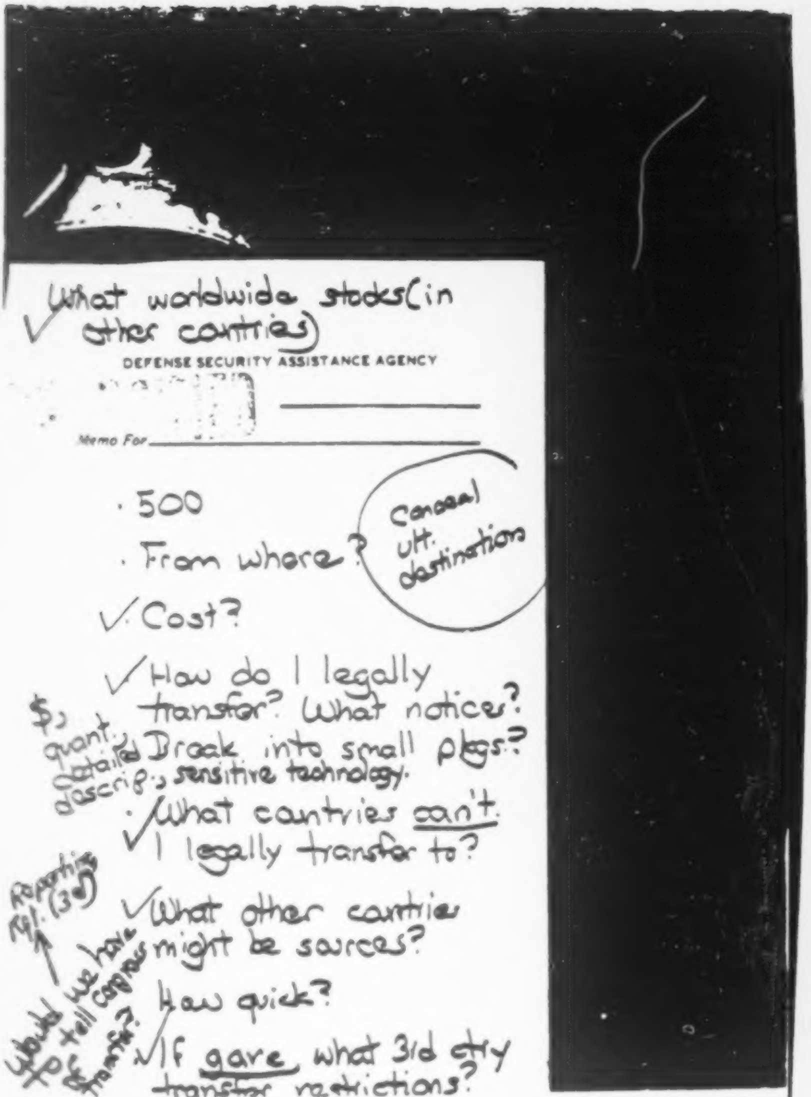
-- If Israel were used as the laundering country, they would be greatly encouraged to continue selling to Iran, and to expand their sales.

-- If the sale became known, all bars would be removed from sales by such countries as Spain, Portugal, Greece, UK, Italy, and FRG, countries who are only barely restrained from overt, large sales to Iran now.

-- In short, the risk is that of prolonging and intensifying the Iran-Iraq war, while seriously compromising US influence over Israel and other countries to restrain sales to Iran.

UNCLASSIFIED

SECRET



✓ What worldwide stocks (in other countries)

DEFENSE SECURITY ASSISTANCE AGENCY

Memo For

· 500

· From where?

Conceal ult. destination

✓· Cost?

✓ How do I legally transfer? What notice?

$, quant., detailed descrip., Break into small pkgs? sensitive technology.

· ✓ What countries can't I legally transfer to?

✓ What other countries might be sources?

Reporting Req. (3rd)

Would we have to tell congress of transfer?

How quick?

✓ If gave what 3rd ctry transfer restrictions?

Rudd Ex. #4

DEPOSITION EXHIBIT #3

3106

Unclassified/Released on 30 Jul 1987
under provisions of E.O. 12356
by B. Reger, National Security Council

UNCLASSIFIED

DEPOSITION EXHIBIT #5

[redacted]

1. Find bm
2. When available?
3. Notify Congress
" "

[redacted]

Declassified/Released on 30 Jul 1987
under provisions of E.O. 12356
By B. Reger, National Security Council

$$\begin{array}{r} 120 \\ 77 \\ \hline 43 \end{array}$$ UAE produced

146K each

$$\begin{array}{r} 120 \\ 300 \\ \hline 36000 \end{array}$$

[redacted]

Red River
Arsenal 77 (of which 3 test)
(Texas-Ark) 87 (of which 4 test)
164 300K

3108

UNCLASSIFIED

1. Find 'em
2. When available?
3. Notify Congress
4. Prepare LOA

DEPOSITION
EXHIBIT
#6

Declassified/Released on 30 Jul 1987
under provisions of E.O. 12356
by B. [illegible], National Security Council

82-732

UNCLASSIFIED

3109

[redacted]

Partially Declassified/Released on [illegible] under provisions of E.O. 12356 by B. Reger, National Security Council

21 NOV 85 36

(85)
to
e
a
for
nd
se
ana
ives
na
n
c
d
l.
na

1. How soon to produce?
2. How soon from [illegible] stocks?
   how many days?
3. Legal question: strongest terms.
   LOA
   Notice.
   Above threshold
   Why piecemeal doesn't work.
4. If to Israelis, have to do renotice for 3rd country.
   Legal
   Policy
5. Procedure
   Israel first – then backfill.
6. Who or how pays?
7. Repercussions: Iraq, other selling countries.
8. How shipped?

Powell is not agitated. Told NSC to ease up.

[redacted]

[redacted]

[redacted]

DEPOSITION EXHIBIT
#7

3110

UNCLASSIFIED

[redacted]

DEPOSITION
EXHIBIT
#4

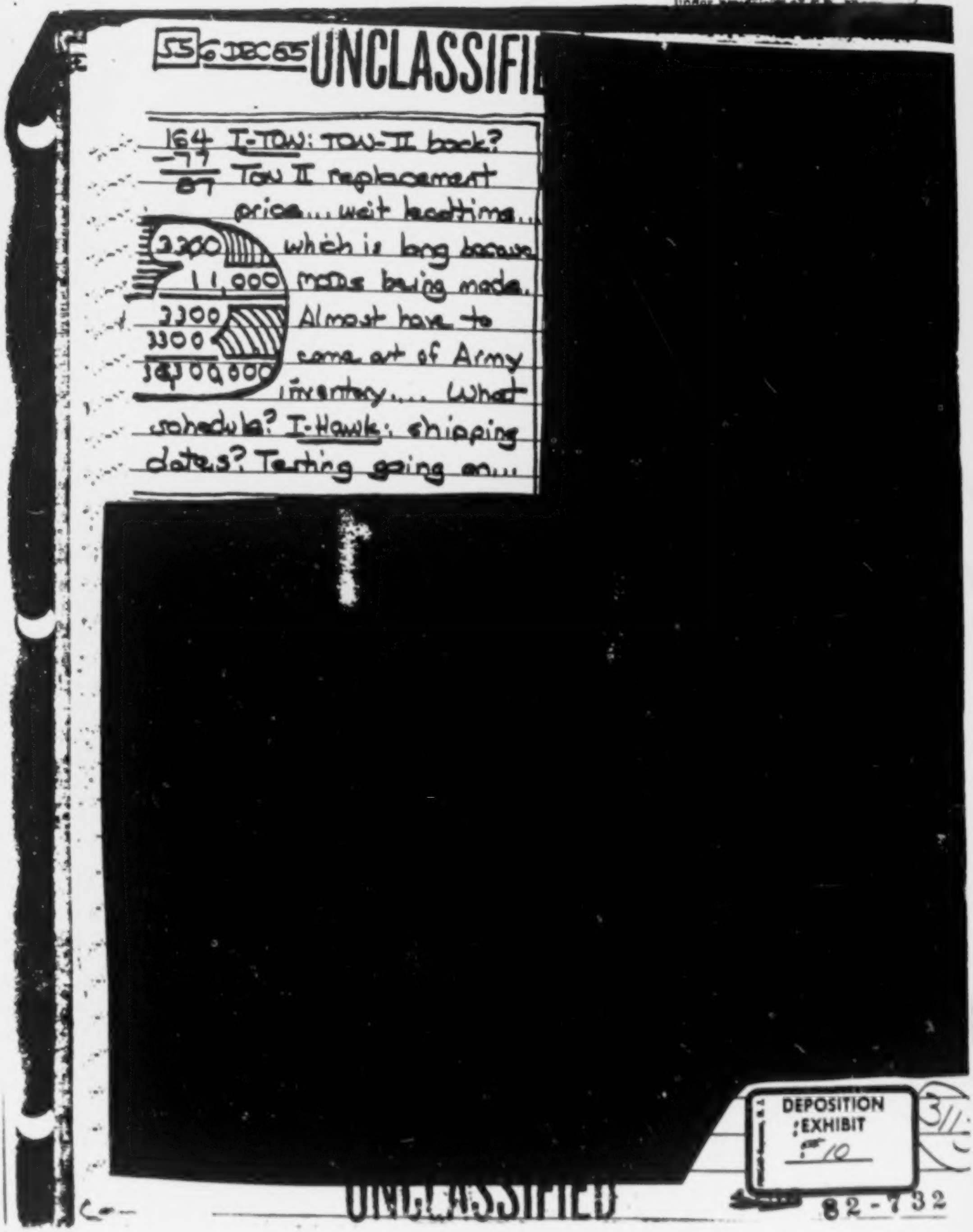
1. 100 to Israel
shipped two
weeks ago
2. 11 to [illegible]
others [illegible]
FF. or [illegible]
FF.

3107

Declassified/Released on 30 JUL 1987
under provisions of E.O. 12356
By B. Reger, National Security Council

[redacted]

Partially Declassified/Released on 3 July 87



55 6 DEC 85 UNCLASSIFI

164 I-TOW: TOW-II back?
−77 TOW II replacement
87 price... wait leadtime...
2300 which is long because
11,000 models being made.
3300 Almost have to
3300 come out of Army
3400,000 inventory.... What
schedule? I-Hawk: shipping
dates? Testing going on...

[redacted]

DEPOSITION
EXHIBIT
#10

UNCLASSIFIED

82-732

RUDD, GLEN A. (See joint deposition with GAFFNEY, HENRY.)

@